

ANNUAL FINANCIAL STATEMENTS

30 JUNE 2007



MUNISIPALITEIT
MUNICIPALITY
U-MASIPALA

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COUNCILLORS OF THE GEORGE LOCAL MUNICIPALITY
AS AT 30 JUNE 2007

EXECUTIVE MAYOR
 EXECUTIVE DEPUTY MAYOR
 SPEAKER

ALDERMAN B PETRUS
 COUNCILLOR P H DE SWARDT
 COUNCILLOR EJ VON BRANDIS

<u>WARD</u>		<u>COUNCILLOR / ALDERMAN</u>
1	-	AC LAWS
2	-	C NEETHLING
3	-	CW POTGIETER
4	-	RA KRUGER
5	-	ML RUITERS
6	-	AT JANTJIES
7	-	F Z NTOZINI
8	-	E MEYER
9	-	T TEYISI
10	-	JS THANDA
11	-	NF KAMTE
12	-	FS GUGA
13	-	CT WILLIAMS
14	-	HJ JONES
15	-	C M REMAS
16	-	RW LONDT
17	-	D MARITZ
18	-	SJ BEZUIDENHOUT
19	-	EJ VON BRANDIS
20	-	MJ MBUZWANA

PROPORTIONALLY ELECTED COUNCILLORS

JST ALBERTS
 AA ARRIES
 JJ MULLER
 PH DE SWARDT
 M DRAGHOENDER
 PJL GROBLER
 IA HADLEY
 PB KOMANI
 NA BITYI
 BM CORNELIUS

PS LEHOLO
 J NCAMAZANA
 M MTLA
 B PETRUS
 J PRETORIUS
 ML RABINOWITZ
 PJ VAN DER HOVEN
 AJ VAN ZYL
 W WITBOOI

COUNCILLORS OF THE GEORGE LOCAL MUNICIPALITY

GENERAL INFORMATION AS AT 30 JUNE 2007

EXECUTIVE MAYOR-IN-COMMITTEE

Executive Mayor
 Alderman Bazil Petrus
 P H de Swardt
 Deputy Executive Mayor
 M Draghoender
 P J L Grobler
 J S T Alberts
 C M Remas
 A Arries
 S J Bezuidenhout

FINANCE AND HUMAN RESOURCES COMMITTEE

Chairperson J S T Alberts
 Deputy Chairperson P H de Swardt
 A A Arries
 M Draghoender
 D Maritz
 R W Londt
 M L Rabinowitz
 C T Williams

ADMINISTRATION AND SOCIAL SERVICES COMMITTEE

Chairperson: M Draghoender
 Deputy Chairperson: C M Remas
 B M Cornelius
 A C Laws
 C W Potgieter
 A J van Zyl
 F Guga
 S Thanda

TECHNICAL SERVICES COMMITTEE

Chairperson: P H de Swardt
 Deputy Chairperson: C M Remas
 A T Jantjies
 C Neethling
 M L Ruiters
 W Witbooi
 C T Williams
 J J Muller

HOUSING AND LAND AFFAIRS COMMITTEE

Chairperson: A A Arries
 Deputy Chairperson: R A Kruger
 D Maritz
 A A Arries
 H J Jones
 E Meyer
 M Mtila
 J Pretorius

LABOUR FORUM

A A Arries
 M L Ruiters
 A T Jantjies
 M Draghoender
 C Neethling
 P S Lehlo
 T Teyisi

TRAINING COMMITTEE

A A Arries
 M Draghoender
 R A Kruger
 F Guga
 P Komani

Municipal Manager
 Director: Human Resources
 Director: Management and
 Administration

URBAN RENEWAL COMMITTEE

Chairperson: P H de Swardt
 J J Muller
 PJL Grobler
 H Jones
 I V Hadley
 N Ntozini

COUNCILLORS OF THE GEORGE LOCAL MUNICIPALITY

GENERAL INFORMATION AS AT 30 JUNE 2007

EMPLOYMENT EQUITY CONSULTATION FORUM

Chairperson: A A Arries
M Draghoender
C Neethling
A T Jantjies
S J Bezuidenhout
N Bityi
N Kamte
R W Londt
M L Ruiters

Municipal Manager
Director: Human Resources

ENVIRONMENTAL SERVICE COMMITTEE

Chairperson: P J L Grobler
P H de Swardt
J J Muller
H J Jones
E Meyer
A T Jantjies
I V Hadley
J Pretorius

COUNCILLOR FOR SPORT
Councillors: P J L Grobler

LANGUAGE POLICY COMMITTEE

Chairperson: P H de Swardt
B M Cornelius
A T Jantjies
P J L Grobler
P S Lehlo
I V Hadley

SISTER CITY

A A Arries
M Draghoender
D Maritz
T Teyisi
S Thanda
A J van Zyl

SPECIAL PROJECTS

Chairperson: M Draghoender
B M Cornelius
E Meyer
C M Remas
J Ncamazana
C T Williams

SOCIAL HOUSING COMMITTEE

Chairperson: M Draghoender
C M Remas
HJ Jones
MJ Mbuzwana
M Mtila

HOMAGE COMMITTEE

Chairperson: P H de Swardt :
B M Cornelius
C M Remas
E Meyer
N Kamte
Julia Ncamazana

COUNCILLOR FOR YOUTH

D Maritz

VOLUNTARY RETIREMENT PACKAGES

M Draghoender
JST Alberts
AA Arries
J Mbuzwana

CODE OF CONDUCT FOR COUNCILLORS COMMITTEE

Chairperson: P H de Swardt
J S T Alberts
P S Lehlo
E Meyer
C T Williams

**NB The secunde for DA-alliance
members is Councillor D Maritz and
the secunde for ANC members is
Councillor M Mtila**

COUNCILLORS OF THE GEORGE LOCAL MUNICIPALITY

GENERAL INFORMATION AS AT 30 JUNE 2007

SAFETY AND SECURITY COMMITTEE

Chairperson: SJ Bezuidenhout
AJ van Zyl
D Maritz
AJ Jantjies
A A Arries
RA Kruger
P J van der Hoven
N Ntozini

DEMARICATION COMMITTEE

Chairperson: C Neethling
R W Londt
JJ Muller
ML Rabinowitz
M Mtila

GEORGE LOCAL MUNICIPALITY
GENERAL INFORMATION

AS AT 30 JUNE 2007

GRADING OF LOCAL AUTHORITY

GRADE 4

AUDITORS

Auditor-General

BANKERS

ABSA Bank

P O Box 326, George, 6530

REGISTERED OFFICE

Civic Centre	P O Box 19	Telephone	044 801 9111
York Street	George	Fax	044 873 3776
George	6530	E-mail:	lhfourie@george.org.za

DIRECTOR : FINANCIAL SERVICES

L H FOURIE

Registered Municipal Accountant B.COM; AIMFO

MUNICIPAL MANAGER

CM AFRICA

M PHILL, HOUSING DEVELOPMENT AND MANAGEMENT

GEORGE LOCAL MUNICIPALITY

**VOORWOORD DEUR DIE
UITVOERENDE
BURGEMEESTER,
RAADSHEER BAZIL
PETRUS**

**PREFACE BY THE
EXECUTIVE MAYOR
ALDERMAN BAZIL PETRUS**



Die finansiële state van die munisipaliteit is nie net 'n dokument vol syfers en rekenkundige inligting nie. Dit is die eindproduk van 'n proses wat begin het met die identifisering van inwoners se menslike behoeftes, soos skoon water of 'n veilige verkeersvloei. Hierdie behoeftes is vertolk in 'n GOP en 'n begroting. Die belangrikste fase in hierdie proses was die uitvoering van planne om die welstand van die inwoners van George te verbeter.

Dit is daarom 'n eer en voorreg om die finansiële state van die 2006/2007 finansiële jaar voor te lê. Dit is 'n rekord van die prestasies van die munisipaliteit gedurende die afgelope jaar. Ek is trots daarop dat ek deel daarvan kon wees.

Baie dankie aan elke personeellid, elke lid van die gemeenskap en elke raadslid wat 'n bydrae tot hierdie prestasies gelewer het.

The financial statements of the municipality is not just a document containing pages of figures and financial information. It is the culmination of a process which started with the identification of human needs of residents, be it clean water or a safe flow of traffic. These needs were transferred into an IDP and a budget. The most important stage of this process was the execution of the plans to improve the well-being of the residents of George.

It is therefore an honour and privilege to present the financial statements of the 2006/2007 financial year. It is a record of the achievements of the municipality for the year under review. I am proud to have been part of these achievements.

Thank you very much for every staff member, every community member and every councillor who contributed to these achievements.

GEORGE LOCAL MUNICIPALITY

OPSOMMING VAN FINANSIËLE RESULTATE 2006/2007

Die finansiële resultate van die afgelope jaar kan soos volg opgesom word:

SUMMARY OF FINANCIAL RESULTS 2006/2007

The financial results of the year under review can be summarised as follows:

	Inkomste/ Income R	Uitgawe/ Expenditure R	Surplus (tekort) (deficit) R
Begroting / Budget 2006/2007	509 649 981	509 458 459	191 522
Wysigings / Amendments	(5 735 999)	(5 720 775)	(15 224)
Gewysigde Begroting/ Amended Budget	503 913 982	503 737 684	176 298
Werklik / Actual 2006/2007	565 229 183	464 674 343	100 554 840
	61 315 201	39 063 341	100 378 542

Die resultate van die kapitaal begroting is soos volg:

The result achieved on the capital budget is as follows:

Begrote uitgawe 2006/2007 / Budgeted expenditure	R 229 611 998
Wysigings goedgekeur 2006/2007 / Amendments approved	<u>(R 7 163 365)</u>
	R 222 448 633
Werklike uitgawes 2006/2007 /Actual expenditure	<u>R 203 616 600</u>
Netto Resultaat / Nett Result :	<u>R 18 832 033</u>

Omvattende kommentare sal in die jaarverslag ingesluit word.

Comprehensive comments will be included in the annual report.

My hartlike dank aan die Burge-meesterskomitee, Raadslede, die Munisipale Bestuurder, Direkteure en Personeel vir hul ondersteuning en harde werk gedurende die afoelone jaar.

I would like to express my appreciation to the Mayoral Committee, Councillors, Municipal Manager, Directors and Personnel for their support and hard work during the past financial year.



**RAADSHEER BAZIL PETRUS
UITVOERENDE BURGEMEESTER**



**ALDERMAN BAZIL PETRUS
EXECUTIVE MAYOR**

GEORGE LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2007

	Note	2007 R	2006 R
NET ASSETS AND LIABILITIES			
Net assets		650 080 750	548 009 576
Housing Development Fund	1	61 588 891	64 675 692
Capital replacement reserve	2	91 531 817	56 150 592
Capitalisation reserve	2	95 650 568	106 504 644
Government grant reserve	2	128 962 021	88 777 521
Donations and public contribution reserves	2	4 329 820	2 987 786
Accumulated Surplus/(Deficit)		268 017 633	228 913 342
Non-current liabilities		225 627 487	139 332 944
Long-term liabilities	3	225 627 487	139 332 944
Non-current provisions	4	0	0
Current liabilities		134 011 896	100 058 603
Consumer deposits	5	8 676 783	8 100 233
Provisions	6	586 197	1 563 608
Creditors	7	83 829 733	57 509 101
Unspent conditional grants and receipts	8	30 017 165	21 220 866
Current portion of long-term liabilities	3	10 902 018	11 664 795
Total Net Assets and Liabilities		R 1 009 720 133	R 787 401 123
ASSETS			
Non-current assets		609 729 856	457 296 404
Property, plant and equipment	10	605 722 253	432 270 715
Intangible Assets	32	1 157 061	1 127 119
Long-term Debtors	12	2 850 542	23 898 570
Current assets		399 990 277	330 104 719
Investments	11	303 811 896	233 167 808
Inventory	13	9 262 131	6 362 636
Consumer debtors	14	33 346 963	26 025 593
Other debtors	15	25 989 896	28 182 730
Current portion of long-term debtors	12	5 658 625	2 637 934
VAT - receivable from SARS	9	5 929 226	2 358 856
Bank	16	15 979 351	31 359 172
Cash	16	12 190	9 990
Total Assets		R 1 009 720 133	R 787 401 123

GEORGE LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2007

	Note	Actual 2007 R	Actual 2006 R
REVENUE			
Property rates	17	105 355 661	96 448 081
Property rates - penalties imposed and collection charges		2 840 983	2 927 687
Service charges	18	271 910 927	240 725 852
Rental of facilities and equipment		2 110 543	2 137 060
Interest earned - external investments		30 732 121	19 723 708
Interest earned - outstanding debtors		3 368 217	2 827 192
Fines		6 367 663	9 443 885
Licences and permits		2 327 128	2 120 720
Income for agency services		5 381 712	4 373 474
Government grants and subsidies Received - Operating	19	63 817 329	39 477 609
Government grants and subsidies Received - Capital	19	46 855 095	18 492 277
Other income	33	50 458 620	38 267 578
Gains on disposal of property, plant and equipment		287 598	1 795 290
Less: Revenue Foregone	17	-26 584 412	-24 291 562
Total Revenue		R 565 229 183	R 454 468 850
EXPENDITURE			
Employee related costs and Social contribution	20	131 880 118	110 467 605
Remuneration of Councillors	21	8 390 559	5 070 236
Bad debts	45	7 345 707	1 016 794
Collection costs		3 843 238	3 729 682
Depreciation and amortisation	44	31 185 558	25 862 991
Repairs and maintenance		53 573 187	46 145 153
Interest paid	22	14 501 649	10 159 811
Bulk purchases	23	80 813 538	70 429 849
Contracted services		32 933 080	28 352 058
Grants and subsidies paid	24	27 047 643	25 301 844
General expenses	43	104 547 648	76 550 245
Loss on disposal of property, plant and equipment		2 738	71 272
Interest internal Borrowings		4 603 460	2 839 870
Contributions To/From Provision		0	1 020 000
Internal charges	34	40 315 237	33 503 108
Gross Expenditure		R 540 983 360	R 440 520 518
Less: Amounts Charged out		76 309 017	69 420 835
Nett Expenditure		R 464 674 343	R 371 099 684
Share of surplus/(deficit) of associate accounted for under the equity method		0	0
SURPLUS/(DEFICIT) FOR THE YEAR		R 100 554 840	R 83 369 167
Refer to Appendix E(1) for the comparison with the approved Budget			

GEORGE LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2007

	Housing Development Fund	Capital Replacement Reserve	Capitalisation Reserve	Government Grant Reserve	Donations and Public Contribution Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R	R	R	R
2006							
Balance at 1 July 2005	60 831 859	50 426 208	118 140 322	76 188 022	3 090 812	156 822 183	465 499 406
Correction of prior period error (note 36)	0	0	0	0	0	501 688	501 688
Restated balance	60 831 859	50 426 208	118 140 322	76 188 022	3 090 812	157 323 871	466 001 094
Surplus/(deficit) for the year						83 369 169	83 369 169
Adjustment of Investments (Note 36 (ii))						-1 360 686	-1 360 686
Transfer to CRR		43 710 072				-43 710 072	0
Property, plant and equipment purchased		-37 985 687				37 985 687	0
Capital grants used to purchase PPE				18 492 277		-18 492 277	0
Transfer to Housing Development Fund	3 843 833					-3 843 833	0
Offsetting of depreciation			-11 635 678	-5 902 778	-103 026	17 641 483	0
Balance at 30 June 2006	64 675 692	56 150 592	106 504 644	88 777 521	2 987 786	228 913 342	548 009 577
2007							
Balance at 1 July 2006	64 675 692	56 150 592	106 504 644	88 777 521	2 987 786	228 913 342	548 009 577
Surplus/(deficit) for the year						100 554 840	100 554 840
Transfer to CRR		96 365 168				-96 365 168	0
Property, plant and equipment purchased		-60 983 943				60 983 943	0
Capital grants used to purchase PPE				46 855 095		-46 855 095	0
Donated/contributed PPE					1 516 333		1 516 333
Transfer to/from Housing Development Fund	-3 086 801					3 086 801	0
Offsetting of depreciation			-10 854 076	-6 670 594	-174 299	17 698 970	-0
Balance at 30 June 2007	61 588 891	91 531 818	95 650 568	128 962 022	4 329 820	268 017 633	650 080 750

GEORGE LOCAL MUNICIPALITYCASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 R	2006 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		649 768 910	540 750 882
Cash paid to suppliers and employees		-500 007 735	-423 478 121
Cash generated from (utilised in) operations	25	149 761 175	117 272 761
Dividends received		0	0
Interest received		30 732 121	22 550 900
Interest paid	22	-14 501 649	-10 159 811
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		R 165 991 647	129 663 850
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	APP.B	-202 100 266	-141 005 880
Proceeds on disposal of property, plant and equipment		306 078	1 931 127
Payments for intangible assets	32	-1 157 061	0
Increase in investment properties		0	0
(Increase)/decrease in non-current receivables	12	6 117 755	6 578 354
Increase in current investments	11	0	0
Increase in non-current investments	11	-2 122 928	-8 269 006
Decrease in call investment deposits		0	0
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		(R 198 956 422)	(R 140 765 404)
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised	3	86 294 543	71 800 750
Increase in consumer deposits	5	576 550	1 868 924
(Decrease)/increase in short-term loans	3	-762 777	-1 315 859
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		R 86 108 316	72 353 815
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		R 53 143 539	61 252 261
Cash and cash equivalents at the beginning of the year	26	248 580 383	187 328 122
Cash and cash equivalents at the end of the year	26	301 723 922	248 580 383

GEORGE LOCAL MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2007

1. BASIS OF PREPARATION

1.1 Annual Financial Statements

The annual financial statements are prepared on an accrual basis of accounting and are in accordance with historical cost convention.

These annual financial statements have been prepared in accordance with the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) and Generally Recognised Accounting Practices (GRAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005.

These standards are summarized as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GAMAP 4	The Effects of Changes in Foreign Exchange Rates
GAMAP 6	Consolidated financial statements and accounting for controlled entities
GAMAP 7	Accounting for Investments in Associates
GAMAP 8	Financial Reporting of Interests in Joint Ventures
GAMAP 9	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, Plant and Equipment
GAMAP 19	Provisions, Contingent Liabilities and Contingent Asset
GAMAP 6, 7 and 8 have been complied with to the extent that the requirements in these standards relate to the municipality's separate financial statements.	

Accounting policies for material transactions, events or conditions not covered by the above GRAP and or GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

The Minister of Finance has, in terms of General Notice 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality are set out in Appendix J to the annual financial statements and have been provided in the notes to the annual financial statements.

Compliance with aspects or parts of the standards which had been exempted by the Minister of Finance in terms of General Notice 552 of 2007, which are not specifically included in the accounting policies which follows (and/or which relate to the annual financial statements as a whole), are the following:

-  Identification and impact of GRAP standards that have been issued but are not yet effective (GRAP 3.30 – 31) (details are set out in Appendix J to the annual financial statements);
-  Changes in accounting policies (GRAP 3.14, 19); and
-  Business combinations (IFRS 3 / AC 140).

**GEORGE LOCAL MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2007**

Furthermore, over and above the aforementioned exemptions, this municipality assumes that SAICA Circular 09/2006 is also exempt, due to the references made in the above-mentioned annexure to the General Notice. The municipality elects to utilise this exemption.

The municipality has elected to early adopt the following requirement in GRAP, GAMAP or SA GAAP, which were exempted in terms of General notice 552 of 2007:

Standard no.	Standard title	GRAP, GAMAP and/or SA GAAP requirement(s), exempted in terms of General notice 552 of 2007, that have been early adopted
GAMAP 12	Inventories	The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP17.

The progress made towards achieving full compliance with the standards referred to in section 122(3) of the MFMA is measured against the municipality's implementation plan, as set out in Appendix J to the annual financial statements. This appendix also includes an explanation of the extent to which the information in the annual financial statements would need to be adjusted for full compliance with these standards.

Apart from those issues involving estimates, management has made no judgments in the process of applying the accounting policies which would give a significant effect on the amounts of items recognized in the financial statements.

A summary of the significant accounting policies adopted in the preparation of these annual financial statements, which have been consistently applied except where an exemption has been granted are disclosed below.

1.2 Consolidated Financial Statements

The consolidated annual financial statements incorporate the financial statements of the municipality and its municipal entities, which the municipality owns or over which the municipality has the power to exercise beneficial control over the financial and operating policies.

On acquisition, the assets and liabilities of the entities are recognised at fair value. The interests of minorities are stated at the fair values of the assets and liabilities recognised.

The results of the entities acquired and disposed of are, respectively, included from the effective dates of acquisition, and to the effective dates of disposal. These results are processed to revenue or expensed in the Statement of Financial Performance.

To the extent that the assets and liabilities of entities are re-valued, the revaluation is taken directly to net assets in the Statement of Changes in Net Assets.

Where necessary, adjustments to the annual financial statements of the municipal entities are made to bring the accounting policies used into line with those used by the municipality.

**GEORGE LOCAL MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2007**

Inter group transactions and balances, and any unrealised gains or losses arising from inter group transactions, are eliminated on consolidation.

The accounting method used to account for the controlled entities in the separate annual financial statements of the municipality is disclosed in accounting policy note 10.2 below.

Consolidated annual financial statements had not been compiled for the current financial year due to the exemption granted, in terms of General Notice 552 of 2007, from complying with section 122(2) of the MFMA. In accordance with this General Notice, Appendix K to the annual financial statements includes the annual financial statements of each of the municipality's entities. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

1.3 Offsetting

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GAMAP or GRAP.

2. PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand.

3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

4. HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

Interest earned on investments backing up this fund is recorded as interest earned in the Statement of Financial Performance.

The following provisions are set for the utilisation of the Housing Development Fund:

- The fund is utilised for housing developments in accordance with the national housing policy and also for housing development projects approved by the MEC for housing.
- Any contributions to or from the fund are shown as transfers in the Statement of Changes in Net Assets.

5. RESERVES

The municipality creates and maintains Funds and Reserves in terms of specific requirements.

**GEORGE LOCAL MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2007**

5.1. Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the net surplus of the year or the accumulated surplus to the CRR in terms of a Council resolution. A corresponding amount is transferred to a designated CRR bank or investment account. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus / (deficit) is credited by a corresponding amount when the amounts in the CRR are utilised. The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan, subject to affordability in the budget process.

Interest earned on the CRR investment is recorded as interest earned in the Statement of Financial Performance where after such interest may be transferred from the Accumulated Surplus to the CRR.

Profit made from the disposal of property, plant and equipment is recorded in the Statement of Financial Performance, where after such profit may be transferred from the Accumulated Surplus to the CRR.

The CRR may only be utilised for the purpose of purchasing / construction of items of property, plant and equipment and may not be used for the maintenance of these items.

5.2. Capitalisation Reserve (CR)

On the implementation of GAMAP, the balances on certain legislated funds that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisation Reserve instead of the accumulated surplus/(deficit) in terms of a directive issued by National Treasury. The purpose of this reserve is to promote consumer equity.

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to accumulated surplus / (deficit).

When an item of property, plant and equipment is disposed of, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus / (deficit).

The purpose of this reserve is to promote consumer equity by ensuring that the future depreciation charge that will be incurred over the useful lives of these items of property, plant and equipment is offset by transfers from this reserve to the accumulated surplus / (deficit).

5.3. Government Grant Reserve and the Public Contributions and Donations Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grant Reserve equal to the government grant recorded as revenue in the statement of Financial Performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus / (deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient

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funds are set aside to offset the depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from Government Grants

When an item of property, plant and equipment financed from government grants is disposed of, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus / (deficit).

When items of property, plant and equipment are financed from donations or public contributions, the same accounting policy relating to the Government Grant Reserve is applied. A separate reserve is created to separately identify items of property, plant and equipment financed from Public Contributions and Donations in terms of a directive issued by National Treasury.

6. PROPERTY, PLANT AND EQUIPMENT (PPE)

6.1 Property, plant and equipment assets are stated:

-  At cost, less accumulated depreciation and accumulated impairment losses, except land which is stated at cost. Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an infinite life.
-  At fair value at date of acquisition less accumulated depreciation and accumulated impairment losses where assets have been acquired by grant or donation.

6.2 The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

6.3 Assets are capitalised in terms of the approved asset management policy

6.4 Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, thus it is regarded as repairs and maintenance and is expensed. The enhancement of an existing asset so that its use is expanded or the further development of an asset so that its original life is extended, are examples of subsequent expenditure which should be capitalised.

6.5 Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets. The estimated useful lives and the depreciation methods was not reviewed in the previous and current financial years as it is required by GAMAP 17, as these requirements have been exempted in terms of General notice 552 of 2007. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

Depreciation only commences when the asset is brought into use.

For items of property, plant and equipment that have significant residual values, these residual values are subtracted from the cost of these property, plant and equipment items to determine the depreciable amounts of these items.

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The annual depreciation rates are based on the following estimated asset lives:-

FIXED ASSET LIVES

Description	Asset Life In Years	Group	Sub-asset Type	Asset Type
INFRASTRUCTURE ASSETS		1. A		
ELECTRICITY		A	ELEC	
Power stations	30	A	ELEC	POWST
Cooling towers	30	A	ELEC	COOLT
Transformer kiosks	30	A	ELEC	TRAKS
Meters	20	A	ELEC	METE
Load control equipment	20	A	ELEC	LOADC
Switchgear equipment	20	A	ELEC	SWGR
Supply/reticulation	20	A	ELEC	SUPRE
Mains	20	A	ELEC	MAINE
ROADS		A	ROADS	
Motorways	15	A	ROADS	MOTWY
Other roads	10	A	ROADS	ROADS
Traffic islands	10	A	ROADS	TRISL
Traffic lights	20	A	ROADS	TRLIT
Street lighting	25	A	ROADS	STLIT
Overhead bridges	30	A	ROADS	OVBRD
Stormwater drains	20	A	ROADS	SWDRN
Bridges, subways & culverts	30	A	ROADS	BRIDG
Car parks	20	A	ROADS	CPARK
Bus terminals	20	A	ROADS	BTERM
Street names & traffic signs	20	A	ROADS	TSIGN
WATER		A	WATER	
Meters	15	A	WATER	METW
Mains	20	A	WATER	MAINW
Rights	20	A	WATER	RIGHT
Supply/reticulation	20	A	WATER	SUPRW
Reservoirs & tanks	20	A	WATER	TANKW
Pump stations	20	A	WATER	PUMPW
GAS		A	GAS	
Meters	20	A	GAS	METG
Mains	20	A	GAS	MAING
Storage tanks	20	A	GAS	TANKG
Supply/reticulation	20	A	GAS	SUPRG
SEWERAGE		A	SEWER	
Sewers	20	A	SEWER	SEWER
Outfall sewers	20	A	SEWER	OUTFL
Purification works	20	A	SEWER	PURWK
Sewerage pumps	15	A	SEWER	SPUMP
Sludge machines	15	A	SEWER	SLDMC
PEDESTRIAN MALLS:		A	PEDES	
Footways	20	A	PEDES	FOOTW
Kerbing	20	A	PEDES	KERB

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Description	Asset Life In Years	Group	Sub-asset Type	Asset Type
Paving	20	A	PEDES	PAVE
AIRPORTS				
Aprons	20	A	AIRPT	APRON
Runways	20	A	AIRPT	RUNWY
Taxiways	20	A	AIRPT	TAXIW
Airports/radio beacons	20	A	AIRPT	RADBN
SECURITY MEASURES				
Fencing	3	A	SECM	FENCE
Security systems	5	A	SECM	SECUR
Access control	5	A	SECM	ACCES
COMMUNITY ASSETS				
		2. B		
BUILDINGS				
Ambulance stations	30	B	BLDC	AMBST
Aquariums	30	B	BLDC	AQUAM
Beach developments	30	B	BLDC	BEACH
Care centres	30	B	BLDC	CAREC
Cemeteries #####	30	B	BLDC	CEMET
Civic theatres	30	B	BLDC	THEAT
Clinics/hospitals	30	B	BLDC	HOSP
Community centres	30	B	BLDC	COMC
Fire stations	30	B	BLDC	FIRES
Game reserves/rest camps	30	B	BLDC	GAMER
Indoor sports	30	B	BLDC	INSPT
Libraries	30	B	BLDC	LIBR
Museum/art galleries	30	B	BLDC	MUSE
Parks	30	B	BLDC	PARKS
Public conveniences/bathhouses	30	B	BLDC	PUBCN
Recreation centres	30	B	BLDC	RECRC
Stadiums	30	B	BLDC	STADM
Zoos	30	B	BLDC	ZOOS
Churches	30	B	BLDC	CHURC
Informal housing	20	B	BLDC	INFH
Monuments	30	B	BLDC	MONUM
Municipal buildings	30	B	BLDC	MUNB
Municipal houses	20	B	BLDC	MUNH
Police stations	30	B	BLDC	POLST
Post offices	30	B	BLDC	POSTO
RECREATIONAL FACILITIES				
Bowling greens	20	B	RECFC	BOWLG
Tennis courts	20	B	RECFC	TENCT
Swimming pools	20	B	RECFC	SWIMP
Golf courses	20	B	RECFC	GOLFC
Jukskei pitches	20	B	RECFC	JUKSK
Outdoor sports facilities	20	B	RECFC	OUTSP
Organ and case	20	B	RECFC	ORGAN
Lakes and dams	20	B	RECFC	LAKES
Fountains	20	B	RECFC	FOUNT
Floodlighting	20	B	RECFC	FLDLT
Netball courts	20	B	RECFC	NETBL

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Description	Asset Life In Years	Group	Sub-asset Type	Asset Type
OTHER ASSETS				
		3. D		
BUILDINGS				
Abattoirs	30	D	BLDO	ABATR
Asphalt plant	30	D	BLDO	ASPH
Cable stations	30	D	BLDO	CABST
Caravan parks	30	D	BLDO	CARAP
Cinemas	30	D	BLDO	CINEM
Compacting stations	30	D	BLDO	COMPS
Hostels – public/tourist	30	D	BLDO	HOSTP
Hostels – workers	30	D	BLDO	HOSTW
Housing schemes	30	D	BLDO	HSCHM
Kilns	30	D	BLDO	KILNS
Laboratories	30	D	BLDO	LABOR
Markets	30	D	BLDO	MARKT
Nurseries	30	D	BLDO	NURSR
Office buildings	30	D	BLDO	OFBLD
Old age homes	30	D	BLDO	OLDAG
Quarries #####	30	D	BLDO	QUAR
Tip sites #####	30	D	BLDO	TIPST
Training centers	30	D	BLDO	TRNC
Transport facilities	30	D	BLDO	TRNFC
Workshops/depots	30	D	BLDO	WRKSH
Farms	30	D	BLDO	FARMS
Other land e.g. Driver's testing	30	D	BLDO	OTHLA
Vacant land	30	D	BLDO	VACLA
OFFICE EQUIPMENT				
Computer hardware	5	D	OFFEQ	COMHW
Computer software	3-5	D	OFFEQ	COMSW
Office machines	3-5	D	OFFEQ	OFFMC
Air conditioners	5-7	D	OFFEQ	AIRCN
FURNITURE AND FITTINGS				
Chairs	7-10	D	FURN	CHAIR
Tables/desks	7-10	D	FURN	TABLE
Cabinets/cupboards	7-10	D	FURN	CABNT
Miscellaneous	7-10	D	FURN	MISCF
BINS AND CONTAINERS				
Household refuse bins	5	D	BINS	HHREF
Bulk containers	10	D	BINS	BULKB
EMERGENCY EQUIPMENT				
Fire	15	D	EMERE	FIREE
Ambulances	15	D	EMERE	VEHAM
Fire hoses	5	D	EMERE	HOSEF
Emergency light	5	D	EMERE	LIGEM
MOTOR VEHICLES				
Fire engines	20	D	MOTOR	VEHFE
Buses	15	D	MOTOR	VEHBS
Motor vehicles	5-7	D	MOTOR	VEH

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Description	Asset Life In Years	Group	Sub-asset Type	Asset Type
Motor cycles	3	D	MOTOR	VEHCY
Trucks/bakkies	5-7	D	MOTOR	VEHTK
AIRCRAFT		D	AIRCR	
Aircraft/balloons	15	D	AIRCR	VEHAC
WATERCRAFT		D	WATCR	
Watercraft/boats	15	D	WATCR	VEHBT
PLANT AND EQUIPMENT		D	PLANT	
Graders	10-15	D	PLANT	VEHGR
Tractors	10-15	D	PLANT	VEHTR
Mechanical horses	10-15	D	PLANT	VEHMH
Farm equipment	5	D	PLANT	VEHFR
Lawnmowers	2	D	PLANT	VEHLM
Compressors	5	D	PLANT	VEHCP
Laboratory equipment	5	D	PLANT	EQUPL
Radio equipment	5	D	PLANT	EQUPR
Firearms	5	D	PLANT	FRARM
Telecommunication equipment	5	D	PLANT	EQUPT
General	5	D	PLANT	GENPL
Cable cars	15	D	PLANT	CABCR
Irrigation systems	15	D	PLANT	IRRIG
Cremators	15	D	PLANT	CREMS
Lathes	15	D	PLANT	LATHE
Milling equipment	15	D	PLANT	EQUPM
Conveyors	15	D	PLANT	CONVY
Feeders	15	D	PLANT	FEEDR
Tipplers	15	D	PLANT	TIPR
Pulverising mills	15	D	PLANT	PULV
Broom – drawn	5	D	PLANT	BRMDN
Caravan	5	D	PLANT	CARAV
Cleaner – steam	5	D	PLANT	CLNST
Compactor - landfill	5	D	PLANT	COMPL
Compactor - plate	5	D	PLANT	COMPP
3.1. Compactor truck - refuse	5-7	D	PLANT	VEHCT
Canopy	5	D	PLANT	CANOP
Control system – co-driver	5	D	PLANT	CONCD
Drill – concrete	5	D	PLANT	DRLC
Dumper - concrete	5	D	PLANT	VEHCD
Electrical equipment	5	D	PLANT	EQUEL
Equipment/apparatus Clinic/Hospital	5	D	PLANT	EQHOS
Equipment/ apparatus - Traffic	5	D	PLANT	EQTRF
Generator	5	D	PLANT	GENER
Hoist – refuse bins	5	D	PLANT	HSTRB
Loader – drill	5	D	PLANT	LOADD
Loader – front-end	5	D	PLANT	LOADF
Mixer – concrete	5	D	PLANT	MIXCN
Outboard motor	5	D	PLANT	OUTBR
Pumps	5	D	PLANT	PUMPS
Road maintenance equipment	10	D	PLANT	VEHRM
3.2. Roller – mechanically driven	5	D	PLANT	VEHMR
3.3. Roller – pavement	5	D	PLANT	ROLPV
Roller – water/ballast	5	D	PLANT	ROLWB

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Description	Asset Life In Years	Group	Sub-asset Type	Asset Type
Street sweeper – mechanically driven	5	D	PLANT	VEHSS
Tools	5	D	PLANT	TOOLS
Trailers	5	D	PLANT	TRAIL
Welder	5	D	PLANT	WELD
OTHER – General				
Animals – pound	5	D	OMISC	ANIPD
HERITAGE		4. C	(any)	(any)
Buildings	-	C	BLDH	HEBLD
INVESTMENTS		5. E	(any)	(any)

Sum-of-units method of depreciation may be preferred.

- 6.6 Where there is an indication that an asset may be impaired, the recoverable amount of the assets is measured and the asset's value is written down from its carrying amount to its recoverable amount. The corresponding impairment loss is charged as an expense to the Statement of Financial Performance. However for the previous and current year under review, the municipality did not perform impairment testing on its assets as is required by GAMAP 17 and IAS 36 / AC128, as these requirements have been exempted in terms of General notice 552 of 2007. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.
- 6.7 Assets are written off on disposal. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised as a profit or loss in the Statement of Financial Performance.
- 6.8 The classification, measurement and disclosure of non-current assets held for sale as required by IFRS 5.6 – 29 (in so far as it relates to non-current assets held for sale) and IFRS 5.38 – 42 had not been performed for the current or previous financial years as these requirements have been exempted in terms of General notice 552 of 2007. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

7. INTANGIBLE ASSETS

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets are capitalised in terms of the approved capitalization threshold of R 2 000.

Amortisation is charged on a straight-line basis over the useful lives of intangible assets, which is estimated to be 2 to 5 years. Where intangible assets are deemed to have indefinite useful lives, such intangible assets are not amortised.

Intangible assets that have indefinite useful lives are tested for impairment annually.

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Where an intangible asset has been impaired, the carrying value of the intangible asset is written down to its recoverable amount. The corresponding impairment loss is charged as an expense to the Statement of Financial Performance.

The estimated useful life and amortisation method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

The entire IAS 38 / AC 129, except for the recognition, measurement and disclosure requirements of computer software and website costs (SIC 32) have been exempted in terms of General notice 552 of 2007 and had not been applied for either the prior or the current financial years. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

8. INVESTMENT PROPERTY

Land and/or buildings that meet the 'investment property' definition have in the current and prior years been accounted for in accordance with GAMAP 17. The requirements of IAS 40 / AC 135 have been exempted in terms of General notice 552 of 2007. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

9. INVENTORIES

Inventories consist of raw materials, work in progress, consumables and finished goods, which are valued at the lower of costs, determined on the first in first out basis, and net realisable value.

Unsold properties are valued at the lower of cost or net realisable value on a actual cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

Cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to its present location and condition.

Redundant, damaged and slow-moving inventories are identified and written down with regard to their estimated net realisable values. Consumables are written down with regard to their age, condition and utility.

Repaired / upgraded stock is shown at cost plus the cost of repair / upgrade.

The entire GAMAP 12, to the extent that it relates to water stock that was not purchased by the municipality, has been exempted in terms of General notice 552 of 2007. The current year accounting policy is in accordance with the exemption stated in the above-mentioned General notice.

The municipality has accounted for immovable capital assets as inventory for the previous and current year under review. This requirement has been exempted in terms of General notice 552 of 2007, but the municipality had received permission to deviate from this exemption.

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10. FINANCIAL INSTRUMENTS AND INVESTMENTS

10.1 FINANCIAL INSTRUMENTS

10.1.1 Recognition and categorization

Non-derivative financial instruments comprise various types of financial instruments and these can be broadly categorised as either **financial assets** or **financial liabilities**.

A financial instrument is recognised if the municipality becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the municipality's contractual rights to the cash flows from the financial assets expire or if the municipality transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the municipality commits itself to purchase or sell the asset. Financial liabilities are derecognised if the municipality's obligations specified in the contract expire or are discharged or cancelled (IAS 32.61, 66(a)).

FINANCIAL ASSETS

A financial asset is any asset that is cash or a contractual right to receive cash. The municipality has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Long-term deposits
- Short-term deposits
- Short-term deposits – EFF invested
- Short-term deposits – Grants invested
- Investments in RSA Government Stock
- Long-term debtors
- Consumer debtors
- Other debtors
- Current portion of long-term debtors
- VAT receivable
- Bank balances and cash
- Investment in municipal entities.

In accordance with IAS 39.09 the **financial assets** of the municipality are classified as follows into one of the four categories allowed by this standard:

Type of financial asset	Classification in terms of IAS 39.09
Long-term deposits	Held to maturity
Short-term deposits	Held to maturity
Short-term deposits – EFF invested	Held to maturity
Short-term deposits – Grants invested	Held to maturity
Investments in RSA Government Stock.	Held to maturity
Long-term debtors	Loans and receivables
Consumer debtors	Loans and receivables
Other debtors	Loans and receivables
VAT receivable	Loans and receivables

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Type of financial asset	Classification in terms of IAS 39.09
Current portion of long-term debtors	Loans and receivables
Bank balances and cash	Available for sale
Investment in municipal entities	Available for sale

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the municipality's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. (IAS 7.46)

FINANCIAL LIABILITIES

A **financial liability** is a contractual obligation to deliver cash or another financial asset to another entity. The municipality has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Local registered stock loans
- Annuity loans
- Other loans
- Creditors
- Consumer deposits
- Unspent conditional grants and receipts
- Current portion of long term liabilities

There are two main categories of **financial liabilities**, classified based on how they are measured. Financial liabilities may be measured at:

- Fair value through profit or loss; or
- Not at fair value through profit or loss ('other financial liabilities')

Financial liabilities that are measured at fair value through profit or loss are financial liabilities that are essentially held for trading (i.e. purchased with the intention to sell or repurchase in the short term; derivatives other than hedging instruments or are part of a portfolio of financial instruments where there is recent actual evidence of short-term profiteering or are derivatives).

Any other financial liabilities are classified as financial liabilities that are not measured at fair value through profit or loss.

In accordance with IAS 39.09 the **financial liabilities** of the municipality are classified only as financial liabilities that are not measured at fair value through profit or loss because none of the following instruments are held for trading.

Type of financial liability	Classification in terms of IAS 39.09
Financial liabilities	
Long-term liabilities (Current & non-current)	Financial liability that is not measured at fair value through profit or loss
Consumer deposits	Financial liability that is not measured at fair value through profit or loss
Creditors	Financial liability that is not measured at fair value through profit or loss
Unspent conditional grants	Financial liability that is not measured at fair value through profit or loss

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Creditors are stated at their nominal value.

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Finance expense comprises interest expense on borrowings. All borrowing costs are recognised in profit or loss using the effective interest method. (IAS 32.66(c))

10.1.2 Measurement

Financial Instruments are recognised and measured at cost in the current and prior financial years. The requirement of IAS 39.43, AG 64, AG 65, AG 79 and SAICA Circular 09/2006, that financial instruments should initially be measured at fair value, have been exempted in terms of General notice 552 of 2007. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

Financial assets:

Held to maturity investments and loans and receivables are initially measured at cost, which represents its fair value and subsequently measured at amortised cost. Financial assets at fair value and available for sale financial assets are initially and subsequently measured at fair value with the profit or loss being recognised in the Statement of Financial Performance (except for the above-mentioned exempted financial years).

Financial liabilities:

Financial liabilities that are not held for trading are measured at amortised cost using the effective interest rate method.

10.1.3 Impairment of financial assets: debtors

Consumer debtors, long-term debtors and other debtors are stated at its anticipated realisable value, thus its cost less an estimated provision for bad debts. The provision is made on an individual basis or group of all outstanding amounts at year-end, based on expected cash flows.

At each balance sheet date an assessment is made of whether there is any objective evidence of impairment of financial assets. If there is evidence then the recoverable amount is estimated and an impairment loss is recognised in accordance with IAS 39 as an expense in the Statement of Financial Performance.

Separate classes of loans and receivables were assessed for impairment using the following methodologies:

Consumer debtors

Consumer Debtors are stated at cost less a provision for bad debts. The provision is made in accordance with IAS 39.64 whereby the recoverability of Consumer Debtors is assessed collectively after grouping the assets in financial assets with similar credit risks characteristics.

According to IAS 39.64, the assessment for impairment needs to be made for each individual financial asset separately or for groups of financial assets with similar credit risks. George municipality has +/- 34,000 consumer debtors and management is of the opinion that it is impracticable to assess every consumer debtor individually. The following methodology was followed to make a provision for bad debts for the year under review:

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- Management decided to review the consumer debtors individually (considering factors as payment histories and ratios, qualitative factors e.g. correspondence from attorneys, disputes about certain accounts, etc. Consumer debt (i.e. the total was grouped together into groups of financial assets with similar credit risk): Government, Business and Households.
- No provision for bad debts was made for Government debtors because theoretically there should be no risk of non recovery.
- Businesses were reviewed individually for impairment and a payment ratio was determined for this group.
- Household debts are individually assessed by Council Credit Control and Debt Collection Agency to determine the risk of non-recovery. Their reports on individual house-holds capabilities to pay outstanding debts are used to provide for bad debts.

Other Debtors

- *Other Debtors are reviewed individually considering payment histories and disputes about certain amounts. Provision for bad debts is made accordingly.*

Long-term debtors

Housing Loans

- *The loans in this group are assessed by reviewing their payment histories and ratios. Provision for bad debts is made accordingly.*

Actaris Meter Debts

- *It is envisaged that Council will decide to write these debts of poor and indigent house-holds off during the following financial period. This amount is provided for in full.*

Other Long-Term Debtors

- *No provision for bad debts is made for Other Long-Term Debtors, because it is envisaged that these debts will be fully recovered.*

10.1.4 Impairment of financial assets: other financial assets

The municipality also assess at the Statement of Financial Position date whether there is objective evidence that any of its financial assets, other than the debtors mentioned above, is impaired, in accordance with IAS 39.58 - .70.

10.1.5 Disposal of investments

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

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10.2 INVESTMENT IN MUNICIPAL ENTITIES

Municipal controlled entities are those entities which the municipality owns or over whose financial and operating policies it has the power to exercise beneficial control.

The municipality accounts for these entities as investments in terms of GAMAP 6 and IAS 39.

Consolidated annual financial statements had not been compiled for the current financial year due to the exemption granted, in terms of General Notice 552 of 2007, from complying with section 122(2) of the MFMA. In accordance with this General Notice, Appendix K to the annual financial statements includes the annual financial statements of each of the municipality's entities. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

11. RISK MANAGEMENT OF FINANCIAL ASSETS AND LIABILITIES

It is the policy of the municipality to disclose information that enables the user of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the municipality is exposed on the reporting date.

Risks and exposure are disclosed as follows:

Credit Risk

- Each class of financial instrument is disclosed separately.
- Maximum exposure to credit risk not covered by collateral is specified.
- Financial instruments covered by collateral is specified.

Liquidity Risk

- A maturity analysis for financial assets and liabilities that shows the remaining contractual maturities.
- Liquidity risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.
- A maturity analysis for financial liabilities (where applicable) that shows the remaining contractual maturities is disclosed in Appendix A to the annual financial statements.

The entire IFRS 7 / IAS 144 has been exempted in terms of General notice 552 of 2007. However, according to the afore-mentioned General notice, this standard is to be replaced by IAS 32/ (AC 125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998. Thus the old IAS 32/ (AC 125) is still applicable. The requirements of the latter standard have been applied for both the previous and current financial years. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

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12. REVENUE RECOGNITION

Revenue is the gross inflows of economic benefits or service potential during the reporting period when those inflows result in increases in net assets, other than increases relating to contributions from owners. Revenue for the current and prior financial year was initially recognised at cost. The requirement of GAMAP 9.12 and SAICA Circular 09/2006 that the initial measurement of revenue be recognised at fair value through discounting all future receipts using an imputed rate of return have been exempted in terms of General notice 552 of 2007. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

In terms of GAMAP 9, only probable revenues should be recognized in the annual financial statements of the municipality. In order to comply with this requirement, the municipality adjusts service revenues by estimating the amount of probable revenues as follows:

- Payment ratios for all the various service revenues are calculated by comparing amounts recovered for services rendered in relation to service billings for these various services;
- For the above-mentioned payment ratios that are below 100%, an adjustment is made to the various amounts of service billings revenues;
- The above-mentioned adjustment is calculated as the difference between 100% and the payment ratios, applied to the various amounts of service billings revenues.

12.1 Revenue from Exchange Transactions

- (a) Service charges relating to electricity and water are based on consumption. Meters are read on a periodic basis and revenue is recognised when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed and are based on the consumption history. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period when meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of prepaid electricity meter cards are recognized based on an estimate of the prepaid electricity consumed at the reporting date.

- (b) Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.
- (c) Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.
- (d) Service charges for sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.
- (e) Rentals are recognised on a time proportion basis.

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- (f) Dividends are recognised on the date that the municipality becomes entitled to receive the dividend.
- (g) Revenue arising from the application of the approved tariff or charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.
- (h) Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.
- (i) Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.
- (j) Revenue from the sale of goods is recognised when all of the following conditions have been satisfied:
 - The municipality has transferred to the buyer the significant risks and rewards of ownership.
 - The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
 - The amount of revenue can be measured reliably.
 - It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
 - The costs incurred or to be incurred in respect of the transaction can be measured reliably.
- (k) Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use. Where public contributions have been received and the municipality has not met the condition, a liability is recognised.
- (l) Operating lease income is recognized on the receipt basis over the lease term.

12.2 Revenue from Non-Exchange Transactions

- (a) Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.
- (b) Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognized when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.
- (c) Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of

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property, plant and equipment are brought into use. Contributed property, plant and equipment are recognised when such items of property, plant and equipment are brought into use.

- (d) Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

13. CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a current liability is recognised.

The requirements of IAS 20 (excluding paragraphs 24 and 26) have not been met in the current and prior financial years as these requirements have been exempted in terms of General notice 552 of 2007. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

14. PROVISIONS

A provision is recognised when the Municipality has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed annually and those estimated to be settled within the next twelve months are treated as current liabilities. All other provisions are treated as non-current liabilities.

15. CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred.

16. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of

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Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

17. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

18. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

19. FOREIGN CURRENCIES

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are included in the Statement of Financial Performance.

20. COMPARATIVE INFORMATION

20.1 Current year comparatives

Budgeted amounts have been included in the annual financial statements.

20.2 Prior year comparatives

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

21. EMPLOYEES BENEFITS

21.1 General

The municipality provides retirement benefits for its employees and councillors.

A **defined benefit plan** is a plan that defines an amount of benefit that an employee will receive on retirement. A **defined contribution plan** is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

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Contributions to defined contribution retirement benefit funds are recognised as an expense when employees and councillors have rendered employment service or served office entitling them to the contributions.

Defined benefit plan accounting as required by IAS 19 / AC 116 have been exempted in terms of General notice 552 of 2007 and had not been applied for the previous or current financial year. These defined benefit plans had been accounted for as defined contribution plans and the defined benefit obligations had been disclosed by narrative information for the current financial year. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

The municipality does not apply defined benefit accounting to the defined benefit funds to which it is a member where these funds as classified in terms of IAS 19 as multi-employer plans, as sufficient information is not available to apply the principles involved. As a result, paragraph 30 of IAS 19 is applied and such funds are accounted for as defined contribution funds.

 Personnel

Salary personnel are members of the Cape Joint Pension fund established in terms of the Local Authorities Pension Fund Ordinance, 1969 (Ordinance 23 of 1969), and the provisions of the Pension Fund Act, 1956 (Act 24 of 1956) or the Samwu National Provident Fund.

Contributions to Funds

 Samwu National Provident Fund:	Employees	09 %
	Employer	18 %
 Cape Joint Pension Fund:	Employees	09 %
	Employer	18 %
 South African Local Authority Pension Fund	Employees	8,6 %
	Employer	18,07%

21.2 Provincially administered defined benefit plan

The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities.

21.3 Medical Aid: Continued Members

The municipality provides post-retirement benefits by subsidising the medical aid contributions of certain retired staff. According to the rules of the medical aid funds, with which the municipality is associated, a member (who is on the current conditions of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the member is liable for the portion as determined by Council from time to time, of the medical aid membership fee, and the municipality for the remaining portion.

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ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
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21.4 Leave Pay

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total accrued leave days at year end and is shown as a provision in the Statement of Financial Position.

21.5 Long Service Bonuses

Long service bonuses are provided to employees who achieve certain pre-determined milestones of services within the municipality. The municipality's obligation under these plans would be valued by independent qualified actuaries at year end and the corresponding liability would be raised, had it not been for the exemptions stated in the above-mentioned paragraph. Payments would be set-off against the liability, including notional interest, resulting from the valuation by the actuaries, which would be charged to the Statement of Financial Performance, had it not been for the exemptions stated in the above-mentioned paragraph.

22. LEASES

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality.

Operating leases are those leases which do not fall within the scope of the above definition. Operating lease payments are expensed on the basis of the cash flows in the lease agreement.

Assets subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the assets is depreciated at appropriate rates on the straight-line basis over the estimated useful lives of the assets. Lease payments are allocated between the lease finance cost and the capital repayment, using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating lease receipts are recognized as income on the basis of the cash flows in the lease agreement.

The requirement of IAS 17/AC105 to recognize operating lease payments / receipts on a straight-line basis if the amounts are recognised on the basis of the cash flows in the lease agreement, had been exempted in terms of General notice 552 of 2007, thus the operating lease payments and receipts had been recognized on the basis of the cash flows in the lease agreement for both the previous and current financial years. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

23. VALUE ADDED TAX

The municipality accounts for Value Added Tax on the payment basis.

24. SEGMENTAL INFORMATION

The principal segments have been identified on a primary basis by service operation and on a secondary basis by the classification of income and expenditure. The primary basis is representative of the internal structure for both budgeting and management purposes.

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The requirements of IAS 11 / AC109 have been exempted in terms of General notice 552 of 2007 and had not been applied for either the prior or the current financial years. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

25. GRANTS-IN-AID

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment.

The transfers are recognised in the financial statements as expenses in the period in which the events giving rise to the transfer occurred.

26. BORROWING COST

Borrowing costs are recognised as expenses in the Statement of Financial Performance.

27. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The costs of internal support services are transferred to the various services and departments to whom resources are made available.

28. RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

29. EVENTS AFTER THE REPORTING DATE

No material events, favourable or unfavourable had occurred between the reporting date and the date of this report.

GEORGE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

	2007 R	2006 R
1. HOUSING DEVELOPMENT FUND		
Housing Development Fund	61 588 891	64 675 692
Unappropriated Surplus	8 205 648	11 292 449
Loans extinguished by Government on April 1998	53 383 243	53 383 243
The Housing Development Fund is represented by the following assets and liabilities:		
Property, plant and equipment (see note 10)	2 482 508	2 499 664
Housing selling scheme loans (see note 12)	13 219 030	14 444 574
Investments (see note 11)	0	0
Other Debtors: Non collected portion (see note 15)	1 760 817	1 696 850
Unauthorised use of cash for other purposes	0	0
Bank and cash (see note 11)	44 126 536	46 034 604
Sub-total	61 588 891	64 675 692
Creditors (see note 7)	0	0
Total Housing Development Fund Assets and Liabilities	61 588 891	64 675 692
2. RESERVES		
Capital Replacement Reserve (CRR)	91 531 817	56 150 592
CRR - General Service	4 001 628	7 239 502
CRR - Electricity Service	22 324 171	8 635 503
CRR - Water Service	25 625 824	7 730 997
CRR - Sewerage Service	19 607 104	6 522 263
CRR - Cleansing Service	3 037 632	1 633 132
CRR - Sale of Property	15 869 786	23 310 307
CRR - Parking Facilities	1 065 672	1 078 888
Government Grants Reserve	128 962 021	88 777 521
* Capitalisation Reserve (NDR-CR)	95 650 568	106 504 644
Donation/Public Contribution Reserve	4 329 820	2 987 786
Total Reserves	320 474 226	254 420 543
* The Capital Replacement Reserve is fully invested in ring-fenced financial instrument investments (see note 11)		
3. LONG-TERM LIABILITIES		
Local Registered Stock Loans	0	2 217 170
Annuity Loans	227 315 237	139 743 282
Capitalised Lease Liability	493 026	39 525
Government Loans : Other	0	0
Other Loans	8 721 242	8 997 762
Sub-total	236 529 505	150 997 739
Less : Current portion transferred to current liabilities	-10 902 018	-11 664 795
Local Registered Stock Loans	0	-2 217 170
Annuity Loans	-9 826 650	-8 838 766
Capitalised Lease Liability	-432 301	-39 525
Government Loans : Other	0	0
Other Loans	-643 067	-569 334
Total External Loans	225 627 487	139 332 944
Refer to Appendix "A" for more detail on long-term liabilities		
Difference between cost price and market valuation of listed investment covers repayment of other loans. (See note 11 for more detail)		
4. NON-CURRENT PROVISIONS		
Provision for reclamation of refuse landfill site	0	0
Total Non-Current Provisions	0	0
The movement in the non-current provision is reconciled as follows:-		
	<u>Landfill</u>	<u>Landfill</u>
Balance at beginning of year	0	0
Contributions to provision	0	1 020 000
Expenditure incurred	0	0
Increase in provision due to discounting	0	0
Transfer to current provisions	0	-1 020 000
	0	0
5. CONSUMER DEPOSITS		
Electricity and Water	8 676 783	8 100 233
Total Consumer Deposits	8 676 783	8 100 233
Guarantees held in lieu of Electricity and Water Deposits	5 042 200	4 770 700
6. PROVISIONS		
Performance bonus	586 197	543 608
Current portion of reclamation of refuse landfill site provision (see note 4 above)	0	1 020 000
Total Provisions	586 197	1 563 608
7. CREDITORS		
Trade Creditors: Rates and General	3 861 589	3 306 755
:Electricity	11 841 583	10 785 476
:Water	795 314	111 435
:Sewerage	201 977	4 811
:Cleansing	426 489	481 577
Payments received in advance	2 891 001	2 655 315
Deposits : Library	4 360	3 800
Staff Leave	6 991 861	4 186 233
Personnel Development	582 841	1 490 476
VAT (see note 9.2)	14 810 329	13 536 110
Other Creditors	41 422 389	20 947 113
Total Creditors	83 829 733	57 509 101
See note 36(i) for adjustment of comparative figure		

GEORGE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

	2007 R	2006 R
8. UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
8.1 Conditional Grants from other spheres of Government:-	30 017 165	20 163 030
<u>Allocated for Property, Plant and Equipment:</u>	22 977 176	13 227 340
DME - Funds :Electrification Marais Camp	0	138 041
DME - Funds :Electrification 300 Erfs Rhamaposa	0	87 398
Dept. Housing : High Security Fence	0	50 316
Dept. Transport: Taxi Terminus	0	758 985
Dept. Transport: George Mobility Strategy	11 749 926	7 000 000
Eden Mun. Floodlights Outeniqua Park	0	73 000
Eden Mun. - Security Lighting Thembaletu	0	21 162
Eden Mun. - Refuse Transfer Station	202 116	202 116
MIG Grants	2 425 134	4 896 322
MIG Grants - Disaster	8 600 000	0
<u>Sundry Grants:</u>	7 039 989	6 935 690
Financial Management Grant	4 676 576	4 567 422
PAWC - Khulani Women's Project	411 890	383 980
PAWC - Paypoints IGG	0	32 765
PAWC - Spatial Development Framework	375 000	375 000
PAWC - Transitional Grant	1 576 523	1 576 523
8.2 Other Conditional Receipts:-	0	1 057 836
<u>Allocated for Property, Plant and Equipment:</u>	0	1 057 836
Fancourt Contribution - Electricity	0	28 231
Fancourt Contribution - Water	0	1 029 605
Total Conditional Grants and Receipts (Refer to Appendix "F" for more details)	30 017 165	21 220 866
9. VAT		
9.1 Vat included in debtors:		
- Debtor Control Account (see note 14)	6 309 792	7 029 321
- Creditor Provision (Direct Payments)	2 022 210	1 440 178
- Creditor Provision (Orders)	2 202 477	58 293
- VAT Control Account	2 599 077	0
- VAT adjustments	-11 087	0
	13 144 643	8 527 793
9.2 Vat included in creditors:		
- Debtor Control Account - Income	7 651 796	6 102 678
- Sundry Debtors - Income	28 625	162 253
- Meter Debt - Income	6 841 593	7 021 312
- Retension Vat	288 315	249 867
	14 810 329	13 536 110
9.3 VAT receivable from SARS	5 929 226	2 358 856
9.4 VAT payable to SARS	0	0
VAT is payable on the payment basis. Only once payment is received from debtors is VAT paid over to SARS.		
10. ASSETS		
10.1 Property, plant and equipment		

30th June 2007

Reconciliation of Carrying Value	Infra-structure R	Community R	Heritage R	Other R	Housing Development Fund R	Leased Infrastructure R	Work in Progress R	Total R
Carrying values at 30 June 2006	240 639 142	66 396 777	607 331	28 692 914	2 499 664	58 595	93 376 292	432 270 715
Cost	401 815 966	83 964 438	607 331	54 821 199	2 499 664	123 061	93 376 292	637 207 951
Revaluation	0	0	0	0	0	0	0	0
Accumulated depreciation	-161 176 824	-17 567 661	0	-26 128 285	0	-64 466	0	-204 937 236
- Cost	-161 176 824	-17 567 661	0	-26 128 285	0	-64 466	0	-204 937 236
- Revaluation	0	0	0	0	0	0	0	0

30th June 2007 (CONTINUED)

Reconciliation of Carrying Value	Infra-structure R	Community R	Heritage R	Other R	Housing Development Fund R	Leased Infrastructure R	Work in Progress R	Total R
Acquisitions	108 354 128	18 944 193	0	16 786 851	0	575 586	59 531 428	204 192 186
WIP Transfers	30 571 220	9 051 219	0	7 054 101	0	0	-46 676 540	0
Increases / decreases in Revaluation	0	0	0	0	0	0	0	0
Depreciation	-22 842 781	-3 167 121	0	-4 568 942	0	-126 170	0	-30 705 014
- based on cost	-22 842 781	-3 167 121	0	-4 568 942	0	-126 170	0	-30 705 014
- based on revaluation	0	0	0	0	0	0	0	0
Carrying value of disposals	0	0	0	-18 478	0	0	0	-18 478
Cost / revaluation	0	0	0	-944 131	0	0	0	-944 131
Accumulated depreciation	0	0	0	925 653	0	0	0	925 653
Impairment losses	0	0	0	0	0	0	0	0
Other movements-cost	6 492	-6 493	0	0	-17 155	0	0	-17 155
Other movements-deprec.	2 056	-2 548	0	492	0	0	0	0
Carrying values at 30 June 2007	356 726 145	91 221 123	607 331	47 945 955	2 482 509	508 011	106 231 179	605 722 253
Cost	540 747 806	111 953 358	607 331	77 718 020	2 482 509	698 647	106 231 179	840 438 851
Revaluation	0	0	0	0	0	0	0	0
Accumulated depreciation	-184 021 661	-20 732 234	0	-29 772 066	0	-190 636	0	-234 716 598
- Cost	-184 021 661	-20 732 234	0	-29 772 066	0	-190 636	0	-234 716 598
- Revaluation	0	0	0	0	0	0	0	0

30th June 2006

Reconciliation of Carrying Value	Infra-structure R	Community R	Heritage R	Other R	Housing Development Fund R	Leased Infrastructure R	Work in Progress R	Total R
Carrying values at 30 June 2005	231 904 789	33 278 116	607 331	23 229 862	2 776 632	103 549	25 301 250	317 201 528
Cost	373 049 108	49 156 273	607 331	58 681 348	2 776 632	2 348 612	25 301 250	511 920 554
Change in accounting policy (note 32) - cost	0	0	0	0	0	-2 225 551	0	-2 225 551
Revaluation	141 144 319	-15 878 157	0	-35 451 486	0	-19 512	0	-192 493 475
Accumulated depreciation	-141 144 319	-15 878 157	0	-35 451 486	0	-881 775	0	-193 355 738
- Cost	-141 144 319	-15 878 157	0	-35 451 486	0	-881 775	0	-193 355 738
Change in accounting policy (note 32) - depreciation	0	0	0	0	0	862 263	0	862 263
- Revaluation	0	0	0	0	0	0	0	0

GEORGE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

	2007		2006	
	R		R	
Acquisitions	28 952 734	20 344 063	0	8 691 981
WIP Transfers	257 934	14 542 795	0	141 331
Increases / decreases in revaluation	0	0	0	0
Depreciation	-20 459 496	-1 721 690	0	-3 297 748
- based on cost	-20 459 496	-1 721 690	0	-3 297 748
- based on revaluation	0	0	0	0
Carrying value of disposals	-16 820	-46 506	0	-72 512
Cost / revaluation	-443 811	-78 692	0	-12 693 462
Accumulated depreciation	426 990	32 186	0	12 620 949
Impairment losses	0	0	0	0
Other movements	0	0	0	-276 968
Carrying values at 30 June 2006	240 639 141	66 396 777	607 331	28 692 914
Cost	401 815 966	83 964 438	607 331	54 821 199
Revaluation	0	0	0	0
Accumulated depreciation	-161 176 824	-17 567 661	0	-26 128 285
- Cost	-161 176 824	-17 567 661	0	-26 128 285
- Revaluation	0	0	0	0

Refer to Appendix B and C for more detail on property, plant and equipment, including those in the course of construction

Property, plant and equipment include items that would be defined as investment properties as defined by IAS 40, but had not been accounted for in accordance with IAS 40 due to the exemption in terms of General notice 552 of 2007. These items are accounted for in accordance with GAMAP 17.

The Municipality takes advantage of the transitional provision in GAMAP 17 - paragraph .86 to recognise property, plant and equipment within three years.

The Municipality has title to all assets, and there are no liens or encumbrances on the assets in favour of third parties.

The Municipality is in the process of itemizing all infrastructure, investment properties and community assets.

At present depreciation on these assets is calculated on an average basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records.

Impairment of assets, review of useful lives and review of depreciation methods

The municipality had not tested its items of property, plant and equipment for any potential impairment losses on assets. Furthermore, no review of the useful lives or depreciation methods applied to items of property, plant and equipment had been performed. The afore-mentioned actions had not been carried out by the municipality due to the exemptions granted in terms of General notice 552 of 2007.

10.2 Biological assets

- Standing Timber

Balance at 1 July	0	4 100 000
Decrease due to sales	0	-4 100 000
Balance at 30 June	0	0
Non - current	0	0
Current	0	0
	0	0

During the 2005/06 financial year all standing timber on plantations belonging to council were harvested and sold.

11. INVESTMENTS

Listed

RSA Government Stock	18 079 515	15 956 587
----------------------	------------	------------

Financial Instruments

Investment in Municipal Entities	0	0
Long-Term Deposits	0	0
Short-Term Deposits	285 732 381	216 827 241
Short-Term Deposits - EFF invested	0	0
Short-Term Deposits - Grants invested	0	383 980
Total Cash Investments	285 732 381	217 211 221

Total investments

	303 811 896	233 167 808
--	--------------------	--------------------

Market valuation of listed investments

RSA Government Stock	18 413 288	17 212 921
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Allocation of Investments

Capital Replacement Reserve	91 531 817	56 150 592
Consumer Deposits	8 676 783	8 100 233
EFF bank account (unutilised)	405	1 161 635
EFF Accumulated Depreciation	4 774 582	2 004 822
Housing Development Fund	44 126 536	46 034 604
Unspent Conditional Grants (Capital)	22 977 176	14 285 176
Unspent Conditional Grants (Operating)	7 039 989	6 935 690
Operational Cash	124 684 607	98 495 056
	303 811 896	233 167 808

Investment in Municipal Entities

The municipality exercises control in the following company where the value of the investments is considered to be zero rand as the company does not have a share capital which could be valued in an open market:

George Housing Association (Section 21 Company)

	2007	2006
Proportion of control: (Five of the seven directors serving on the George Housing Association's board of directors are nominated by the municipality's Mayoral Committee - thus 5/7 = 71.43%)	71.43%	71.43%
Indebtness of the George Housing Association (R)	0	0.00
Dividend received (R)	0	0.00
Management fees received (R)	0	0.00
Administration fees received (R)	0	0.00
Donations made to the George Housing Association (R) (see Related Parties note no 42)	1 800 000	1 800 000
The George Housing Association operates in the municipality's area of jurisdiction.		
Management's valuation of the investment in the George Housing Association (R)	0	0.00

In terms of General notice 552 of 2007, the municipality has been exempted from compiling consolidated annual financial statements. In accordance with this notice, the financial statements of the municipal entities are attached to the municipality's financial statements in Appendix K.

12. LONG-TERM DEBTORS

	Gross Balances	Provision For Bad Debt	Net Balance	
Housing loans	13 219 030	8 068 599	5 150 431	14 444 574
Vehicle loans	335 898	0	335 898	1 694 090
Loans to Organisations (Section 185A /Ord. 20/1974)	822 377	0	822 377	939 388
Sale of property	1 315 560	0	1 315 560	2 887 916
Computer loans	41 154	0	41 154	84 033
Zader Loan	192 806	0	192 806	569 855
Victoria Bay - Paving/Sewerage Loans	113 204	0	113 204	111 963
Actaris meter costs	4 378 720	3 840 983	537 737	5 804 685
	20 418 749	11 909 582	8 509 167	26 536 504
Less current portion			-5 658 625	-2 637 934
Total Long-term Debtors			2 850 542	23 898 570

(Refer to Appendix "H" for more detail on long term debtors)

GEORGE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

	2007	2006	
	R	R	
13. INVENTORY			
Consumable Stores	6 206 495	4 436 145	
Maintenance materials :			
- Water Purification:	800 997	905 212	
Water : Stock	0	61 777	
Water : Purification Chemicals	800 997	843 435	
- Water : Distribution/Connection materials	493 485	361 131	
- Water : Pollution Control chemicals	98 552	47 162	
- Sewerage : Main line pipes	60 059	60 059	
Unsold properties held for resale	1 602 544	552 927	
	<u>9 262 131</u>	<u>6 362 636</u>	
Total Inventory			
(See note 36(ii) for adjustment of comparative figure)			
Inventory represents consumable stock and raw materials. Included in General expenses (note 43) is an amount of R 39 335 representing the write down of inventories to net realisable value.			
14. CONSUMER DEBTORS			
As at 30 June 2007	DEBTORS	Provision for Bad Debts Net Balance	
Service Debtors:	64 122 595	39 545 735 24 576 860	
Rates	12 305 325	7 588 949 4 716 376	
Electricity	13 480 452	8 313 675 5 166 777	
Water	16 557 938	10 211 624 6 346 314	
Sewerage	11 519 311	7 104 198 4 415 113	
Cleansing	10 259 569	6 327 289 3 932 280	
Other Debtors:	6 447 103	3 976 062 2 471 041	
General Computerised Debtors	195 342	0 195 342	
Loans	1 982 283	1 343 908 638 375	
Computer Loans	329	0 329	
Housing Rentals	629 181	387 667 241 514	
Legal fees	3 639 968	2 244 487 1 395 481	
	6 299 062	0 6 299 062	
Less: Masakhane Debtors	-10 730	0 -10 730	
Plus: VAT	6 309 792	0 6 309 792	
Total Debtors	<u>76 868 760</u>	<u>43 521 797</u> <u>33 346 963</u>	
Less: Payments in advance	-2 891 001		
Total Computerised Debtors	<u>73 977 759</u>		
As at 30 June 2006			
Service Debtors	70 531 278	54 563 347	22 408 713
Rates	15 917 877	11 682 715	
Electricity	10 635 061	3 956 377	
Water	18 639 367	15 180 966	
Sewerage	13 516 884	12 370 822	
Cleansing	11 822 089	11 372 467	
Housing Rentals	771 813	663 774	108 039
Other Debtors:	18 331 232	8 381 609	3 508 841
Loans	2 338 799		
Other Debtors	8 963 112		
VAT	7 029 321		
Total Debtors	<u>89 634 323</u>	<u>63 608 730</u>	<u>26 025 593</u>
Less: Payments in advance	-2 655 315		
Total Computerised Debtors	<u>86 979 008</u>		
As at 30 June 2007			
Rates: Ageing			
Current(0-30 days)	5 921 487		
31-60 Days	286 431		
61-90 Days	127 977		
91-120 Days	121 908		
121-365 Days	2 150 119		
+365 days	3 697 403		
Total	<u>12 305 325</u>		
Electricity,Water,Sewerage and Cleansing: Ageing			
Current(0-30 days)	20 684 334		
31-60 Days	1 413 662		
61-90 Days	1 258 004		
91-120 Days	1 594 252		
121-365 Days	8 737 632		
+365 days	18 129 386		
Total	<u>51 817 270</u>		
Loans: Ageing			
Current(0-30 days)	31 459		
31-60 Days	45 367		
61-90 Days	53 653		
91-120 Days	46 955		
121-365 Days	1 573 777		
+365 days	231 072		
Total	<u>1 982 283</u>		
Housing rentals: Ageing			
Current(0-30 days)	50 169		
31-60 Days	24 310		
61-90 Days	12 627		
91-120 Days	11 419		
121-365 Days	70 616		
+365 days	460 040		
Total	<u>629 181</u>		
Other Debtors: Ageing			
Current(0-30 days)	324 140		
31-60 Days	366 489		
61-90 Days	184 084		
91-120 Days	329 187		
121-365 Days	2 419 164		
+365 days	6 564 717		
Total	<u>10 187 761</u>		

GEORGE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

2007
R

2006
R

Summary of Debtors: Ageing

Current(0-30 days)	27 011 589
31-60 Days	2 093 910
61-90 Days	1 636 345
91-120 Days	2 103 721
121-365 Days	14 951 308
+365 days	29 082 618
Total Debits Outstanding	76 879 491
Less: Payment In Advance	-2 891 002
Other Credits	-10 730
Unallocated Debits	0
	73 977 759

SUMMARY OF DEBTORS BY CLASSIFICATION

	CONSUMERS	Industrial / Commercial	National and Provincial Government	Total
30th June 2007				
Current (0 - 30 days)	12 420 379	10 090 208	222 750	22 733 338
31 - 60 Days	1 682 521	252 616	24 510	1 959 647
61 - 90 Days	1 572 000	165 035	13 450	1 750 485
91 - 120 Days	1 322 563	177 035	17 385	1 516 983
121 - 365 Days	9 958 243	1 420 266	247 734	11 626 244
+ 365 Days	33 447 230	704 733	239 100	34 391 063
Sub Total	60 402 936	12 809 893	764 930	73 977 759
Less: provision for bad debts	40 827 666	2 694 131	0	43 521 797
Total debtors by customer classification	19 575 270	10 115 762	764 930	30 455 962

15. **OTHER DEBTORS**

	Gross Balances	Provision For Bad Debt	Net Balance	
Non - Cash portion of Housing Development Fund	1 760 817	0	1 760 817	1 696 850
Recovery of unauthorized,irregular,fruitless or wasteful expenditure	0	0	0	0
Insurance claims	149 250	0	149 250	113 857
Miscellaneous debtors	27 306 302	3 226 473	24 079 829	26 372 023
Total Other Debtors	29 216 369	3 226 473	25 989 896	28 182 730

16. **BANK, CASH AND OVERDRAFT BALANCES**

The Municipality has the following bank accounts :-

Current Account (Primary Bank Account)
 ABSA Bank Limited - George Branch (630-114)
 Account Number 10-2222-0981

Current Account (Cash Account)
 ABSA Bank Limited - George Branch (630-114)
 Account Number 40-5353-0012

CASH BOOK

Cash Book balance at the beginning of the year :-

- Operating bank account	31 359 172	22 891 263
- CRR bank account	-42 243 063	17 639 645
- Other Capital Receipts bank account	56 150 592	50 426 207
- EFF bank account	14 285 176	10 027 783
- EFF Accumulated Depreciation bank account	1 161 635	-56 310 449
	2 004 822	1 108 077

Cash Book balance at the end of the year :-

- Operating bank account	15 979 351	31 359 172
- CRR bank account	-103 304 630	-42 243 063
- Other Capital Receipts bank account	91 531 817	56 150 592
- EFF bank account	22 977 176	14 285 176
- EFF Accumulated Depreciation bank account	405	1 161 635
	4 774 582	2 004 822

BANK ACCOUNT

Bank statement balance at beginning of year :-

- ABSA Bank Limited - 10-2222-0981	50 182 815	42 809 509
- ABSA Bank Limited - 40-5353-0012	50 220 953	42 810 149
	-38 138	-640

Bank statement balance at end of year :-

- ABSA Bank Limited - 10-2222-0981	47 606 032	50 182 815
- ABSA Bank Limited - 40-5353-0012	47 606 032	50 220 953
	0	-38 138

Allocation of Cash

Housing Development Fund	0	0
Consumer Deposits	0	0
Operational Cash	15 979 351	31 359 172
	15 979 351	31 359 172

CASH

CASHIER FLOATS

Caravan Park	Herolds Bay	100	100
Library	Caledon Street	100	100
Library	Conville	30	30
Library	Pacaltsdorp	20	20
Library	Blanco	20	20
Library	Thembaletu	20	20
Traffic Cashiers: Licensing	1	6 000	3 500
Treasury	Magistrate Court	200	200
Treasury	Zader	200	200
Treasury	Hoekwil	300	300
Treasury	Touwsrante	100	100
Treasury Cashiers:	1	2 100	2 400
Treasury Petty Cash		3 000	3 000
		12 190	9 990

GEORGE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

		2007	2006
		R	R
17. PROPERTY RATES			
A) <u>GEORGE</u>			
	</		

The tariff rate for general rates were 1.6976 cent in the Rand on land and 0.9337 cent in the Rand on buildings.
A 20% rebate was allowed on residential properties for 2006/2007.
A rebate of 10% - 40% was granted based on the annual income of the ratepayer.

B) **WILDERNESS, HEROLDS BAY,
VICTORIA BAY, OUBAAI & KLEINKRANTZ**

Residential	655 998 500	695 354 710	11 150 710	14 483 254
Car park	0	0	0	0
Commercial	35 439 100	52 057 000	6 629 541	135 012
Minor business	0	0	0	0
Light Industrial	0	0	0	0
Agricultural	0	0	0	0
Municipal	0	0	0	0
State (Included in commercial)	0	0	0	0
Other (Flat Rate)	0	0	0	0
	691 437 600	747 411 710	17 780 251	14 618 266

Land and buildings will be valued every four years. The last general valuation came into effect on 1 July 2003.
The tariff rate for general rates were 1.6127 cent in the Rand on land and 0.8870 cent in the Rand on buildings.
A 20% rebate was allowed on residential properties for 2006/2007.
A rebate of 10% - 40% was granted based on the annual income of the ratepayer.

C) **HOEKWIL, WILDERNESS
HEIGHTS AND TOUWSRANTEN
SMALL HOLDINGS**

Residential	99 298 000	79 497 840	1 532 612	1 985 704
Car park	0	0	0	0
Commercial	1 017 000	4 032 400	701 905	45 811
Minor business	0	0	0	0
Light Industrial	0	0	0	0
Agricultural	0	0	0	0
Municipal	0	0	0	0
State (Included in commercial)	0	0	0	0
Other (Flat Rate)	0	0	0	0
	100 315 000	83 530 240	2 234 517	2 031 515

Land and buildings will be valued every four years. The last general valuation came into effect on 1 July 2003.
The tariff rate for general rates were 1.5278 cent in the Rand on land and 0.8403 cent in the Rand on buildings.
A 20% rebate was allowed on residential properties for 2006/2007.
A rebate of 10% - 40% was granted based on the annual income of the ratepayer.

D) **RURAL AREAS**

Residential	550 291 500	193 949 000	10 426 451	9 993 642
Car park	0	0	0	0
Commercial	63 896 210	249 519 000	4 140 661	3 717 604
Minor business	0	0	0	0
Light Industrial	0	0	0	0
Agricultural	0	0	0	0
Municipal	0	0	0	0
State (Included in commercial)	0	0	0	0
Other (Flat Rate)	0	0	0	0
	614 187 710	443 468 000	14 567 112	13 711 246

Land and buildings will be valued every four years. The tariff rate for general rates were 1.6976 cent in the Rand on land and 0.9337 cent in the Rand on buildings. A 85% rebate was allowed on residential properties and 10% was allowed on businesses properties for 2006/2007.
A rebate of 10% - 40% was granted based on the annual income of the ratepayer.

Actual	2 007	2 006
Residential	48 157 876	48 359 859
Commercial	27 989 985	19 936 912
State	4 153 064	3 859 747
Less: Adjustments to Rates	-1 529 680	0
Total Assessment Rates	78 771 245	72 156 518
Add: Revenue Foregone	26 584 416	24 291 563
	105 355 661	96 448 081
Valuations		
Residential	6 811 499 650	6 516 010 950
Commercial	1 860 308 310	1 869 627 810
State	381 613 000	378 770 000
Municipal	301 364 300	300 526 578
Total Property Valuations	9 354 785 260	9 064 935 338

18. **SERVICE CHARGES**

Sale of electricity	167 822 931	145 118 099
Sale of water	48 125 322	42 959 117
Refuse removal	21 268 626	21 133 821
Sewerage and sanitation charges	33 812 903	31 514 815
Sale of water - fire station	32 520	0
Housing schemes	848 625	0
Total Service Charges	271 910 927	240 725 852
(See note 36(iv) for adjustment of comparative figure)		

GEORGE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

	2007 R	2006 R
19. GOVERNMENT GRANTS AND SUBSIDIES		
Operating Grants:	63 817 329	39 477 609
- Equitable share	30 367 920	20 250 747
- Literacy Programmes	1 687 179	2 513 034
- Proclaimed Roads	753 000	2 000 000
- Provincial health subsidies	8 278 822	10 634 966
- Provincial housing	16 668 179	4 078 862
- Finance Management Grant	390 846	0
- Refuse Landfill Site	1 020 000	0
- MIG (Flood damage)	4 651 383	0
Capital Grants (see appendix "F")	46 855 095	18 492 277
Total Government Grants and Subsidies	110 672 424	57 969 886
Equitable Share		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive the following monthly subsidy, which is funded from this grant:-		
Level of income:	Subsidy:	
(i) R0 - R3 000,00	R300,00 per month	
Provincial Health Subsidies		
The Municipality renders health services on behalf of the Provincial Government and receives a monthly grant for expenditure incurred. This is used exclusively to fund clinic services. The conditions of the grant have been met. There was no delay or the withholding of the subsidy		
Capital Grants		
Balance unspent at beginning of the year	14 285 175	10 027 783
Current year receipts	55 547 096	22 749 669
Conditions met - transferred to revenue	-46 855 095	-18 492 277
Conditions still to be met - transferred to liabilities (see note 8)	22 977 176	14 285 175
This grants is used to construct roads,water,sewerage and electricity infrastructure and the upgrading of informal settlement areas. Other than the unspent amount, the conditions of the grant have been met. No funds have been withheld.		

20. EMPLOYEE RELATED COSTS

Employees related costs - Salaries and Wages	91 084 987	75 543 816
Employees related costs - Contributions for UIF, pensions and medical aids	23 131 979	20 313 294
Travel, motor car, accommodation, subsistence and other allowances	7 763 063	6 634 728
Housing benefits and allowances	1 203 679	1 022 542
Overtime payments	7 404 301	5 372 148
Performance bonus	0	0
Long-service awards	1 292 090	1 581 077
Less: Employee costs capitalised to Property, Plant and Equipment	0	0
Less Employee costs included in other expenses	0	0
Total Employee Related Costs	131 880 118	110 467 605
(See note 36(i) for adjustment of comparative figure)		
Remuneration of the Municipal Manager		
Annual Remuneration	656 000	608 327
Performance Bonuses	111 000	59 646
Car Allowance	84 000	96 000
Contributions to UIF	1 399	0
Total	852 399	763 973
Remuneration of the Chief Finance Officer		
Annual Remuneration	432 197	486 575
Performance Bonus	93 509	86 486
Car Allowance	90 000	90 000
Contributions to UIF, Medical and Pension Funds	102 595	0
Total	718 302	663 062
Remuneration of Executive Directors (Technical Services, Corporate Services and Community Services)		
Annual Remuneration	2 481 284	1 748 503
Performance Bonus	482 055	371 295
Car Allowance	552 354	571 955
Contributions to UIF, Medical and Pension Funds	188 459	154 840
Total	3 704 152	2 846 592

21. REMUNERATION OF COUNCILLORS

Executive Mayor	304 375	230 460
Deputy Executive Mayor	228 535	184 369
Speaker	236 293	184 369
Mayoral Committee Members	1 403 473	1 088 822
Councillors	2 810 185	1 425 418
Councillors' pension contribution	807 300	456 298
Medical aids	138 441	127 627
Housing	0	350 999
Travelling Allowance	2 108 563	777 785
Office Allowance	0	84 391
Cell phone Allowance	353 395	159 699
Total Councillors' Remuneration	8 390 559	5 070 236

In-kind Benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor and Deputy Mayor have use of Council's owned vehicles for official duties.

Certification by the Municipal Manager

I certify that remuneration of councillors and in-kind benefits are in accordance with the Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with that Act.



Signed: Municipal Manager

GEORGE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

	2007 R	2006 R
22. INTEREST ON EXTERNAL BORROWINGS		
Long - term liabilities	14 448 600	10 152 385
Finance Leases	53 050	7 426
Bank overdraft	0	0
Total interest on External Borrowings	14 501 649	10 159 811
23. BULK PURCHASES		
Electricity	80 813 538	70 429 849
Total Bulk Purchases	80 813 538	70 429 849
24. GRANTS AND SUBSIDIES PAID		
Equitable Share	19 707 579	20 250 747
Projects Social Services	1 936 604	1 873 787
SPCA - Small Animal Pound	605 449	478 869
Merit Grants	13 640	21 000
Bursary Grants	373 972	214 199
Gifts	1 824 883	1 253 891
Festival	404 345	297 526
International Sevens Rugby	2 181 171	911 825
Total Grants and Subsidies	27 047 643	25 301 844
25. CASH GENERATED FROM (UTILISED IN) OPERATIONS		
Net surplus for the year	100 554 840	80 669 971
Adjustments for:-		
Previous year's operating transactions:		
- Biological Assets (Note 36 (iii))	0	4 100 000
- Adjustment of Investments(Note 36 (ii))	0	2 955 465
- Adjustment of Investments(Note 36 (ii))	0	12 711 284
- Adjustment of Investments(Note 36 (ii))	0	-1 360 686
Depreciation	31 450 287	25 523 887
Gain on disposal of property and equipment	-287 598	-1 795 289
Loss on disposal of property and equipment	2 738	0
Write-off of Cost of Unsold Units	17 155	276 967
Donated/contributed PPE	0	0
Contribution to provisions- non-current	0	0
Contribution to provisions- current	-977 411	1 563 608
Contribution to bad debt provision	-5 147 354	-14 312 902
Investment income	-30 732 121	-22 550 900
Interest paid	14 501 649	10 159 811
Operating surplus before working capital changes	109 382 185	97 941 216
(Increase)/decrease in inventories	-2 899 495	-2 578 130
(Increase)/decrease in debtors (Consumers)	12 765 563	11 837 790
(Increase)/decrease in other debtors	-1 033 639	-835 169
(Decrease)/increase in conditional grants and receipts	8 796 299	4 205 972
Increase in creditors	26 320 632	7 650 256
Decrease in provisions	0	0
(Increase)/decrease in debtors (VAT-receivable)	-3 570 370	-949 174
Cash generated by operations	149 761 175	117 272 761
26. CASH AND CASH EQUIVALENTS		
Bank balance and cash at the end of the year	301 723 922	248 580 383
Bank balance and cash at the beginning of the year	248 580 383	187 328 122
Net increase/ (decrease) in cash and cash equivalents	53 143 539	61 252 261
27. EXTERNAL LOANS RECONCILIATION		
External loans raised (see note 3)	236 529 505	150 997 739
Used to finance property, plant and equipment:-		
Annuity Loans (Appendix "G")	-227 314 831	-138 581 647
Other Loans (Appendix "A")	-8 721 242	-8 997 762
Lease Assets (Appendix "A")	-493 026	-39 525
Sub- total	405	3 378 805
Cash set aside for the repayment of loans (see note 11)	18 079 515	15 956 587
Cash invested for repayment of external loans	18 079 920	19 335 392
External loans have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that external loans can be repaid on redemption date.		
28. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFULL EXPENDITURE DISALLOWED		
Unauthorised expenditure	0	0
Reconciliation of unauthorised expenditure		
Opening balance		
Unauthorised expenditure current year		
Approved by Council		
Transfer to Statement of Financial Performance- authorised losses		
Transfer to receivable for recovery		
Closing balance		
	0	0
Incident	Disciplinary steps/criminal proceedings	
Unbudgeted expenditure	Disciplinary hearings held on :	
Irregular, fruitless and wasteful expenditure	0	0
Reconciliation of fruitless and wasteful expenditur		
Opening balance		
Fruitless and wasteful expenditure current year		
Transfer to Statements and Financial		
Transfer to receivables for recover		
Opening Balance		
	0	0
Incident	Disciplinary steps/criminal proceeding:	
Total Unauthorised, fruitless and wasteful expenditure disallowe	0	0

GEORGE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

	2007 R	2006 R																		
29. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT																				
(i) Contributions to SALGA	474 443	510 250																		
(ii) Audit fees																				
Opening balance	0	0																		
Prior year audit fee	621 931	603 583																		
Current year audit fee	0	0																		
Amount paid - current year	0	0																		
Amount paid - prior year	-621 931	-603 583																		
Balance unpaid (included in creditors)	0	0																		
(iii) VAT																				
VAT inputs receivable and VAT output receivable are shown in note 9 and 14 respectively. All VAT returns have been submitted by the due date throughout the year.																				
(iv) PAYE and UIF																				
Opening balance	0	0																		
Current year payroll deductions - PAYE	14 179 816	11 676 931																		
Current year payroll deductions - UIF	1 551 633	1 233 892																		
Amount paid - current year	-15 731 449	-12 910 823																		
Amount paid - previous year	0	0																		
Balance unpaid (included in creditors)	0	0																		
The balance represents PAYE and UIF deducted from the June 2007 payroll. These amounts were paid during June 2007.																				
(v) Pension and Medical Aid Deductions																				
Opening balance	0	0																		
Current year payroll deductions and Council Contributions - Pension	19 442 391	16 548 805																		
Current year payroll deductions and Council Contributions - Medical	8 165 892	7 664 236																		
Amount paid - current year	-27 608 282	-24 213 041																		
Amount paid - previous year	0	0																		
Balance unpaid (included in creditors)	0	0																		
The balance represents pension and medical aid contributions deducted from the employees in the June 2007 payroll as well as Councilor's contributions to pension and medical aid funds. These amounts were paid during June 2007.																				
(vi) Councillor's arrear consumer accounts																				
The following Councillors had arrear accounts outstanding for more than 90 days as at - 30 June 2007																				
	<table> <tr> <th>Total</th><th>Outstanding less than 90 days</th><th>Outstanding more than 90 days</th></tr> <tr> <td>Councillor T. Teyisi</td><td>1 426</td><td>0</td></tr> <tr> <td></td><td>1 426</td><td>0</td></tr> </table>	Total	Outstanding less than 90 days	Outstanding more than 90 days	Councillor T. Teyisi	1 426	0		1 426	0	<table> <tr> <th>Total</th><th>Outstanding less than 90 days</th><th>Outstanding more than 90 days</th></tr> <tr> <td>Councillor T. Teyisi</td><td>1 426</td><td>0</td></tr> <tr> <td></td><td>1 426</td><td>0</td></tr> </table>	Total	Outstanding less than 90 days	Outstanding more than 90 days	Councillor T. Teyisi	1 426	0		1 426	0
Total	Outstanding less than 90 days	Outstanding more than 90 days																		
Councillor T. Teyisi	1 426	0																		
	1 426	0																		
Total	Outstanding less than 90 days	Outstanding more than 90 days																		
Councillor T. Teyisi	1 426	0																		
	1 426	0																		
30. CONTINGENT LIABILITIES																				
(i) Guarantees issued by the George Municipality in respect of building society and commercial bank housing loans to Council officials amounted to:	32 381	77 241																		
(ii) A possible obligation in respect of a court case with Mr Riaan Laing was noted per an attorney's confirmation from Braam & Vennote	0	446 060																		
31. IN-KIND DONATIONS AND ASSISTANCE																				
The Municipality received the following in-kind donations and assistance																				
Description																				
• Secondment of International Finance Advisor by National Treasury for 2 years																				
32. PURCHASED INTANGIBLE ASSETS																				
Computer Software																				
Carrying values at the beginning of the year	2007 1 127 119	2006 -																		
Cost	1 466 224	-																		
Accumulated amortisation	-339 104	-																		
Accumulated impairment	0	-																		
Acquisitions	510 486	1 466 224																		
Disposals	0	0																		
Amortisation	-480 544	-339 104																		
Impairment losses	0	0																		
Carrying value at the end of the year	1 157 061	1 127 119																		
Cost	1 976 710	1 466 224																		
Accumulated amortisation	-819 548	-339 104																		
Accumulated impairment	0	0																		
No intangible assets had been pledged as security for any liabilities of the municipality.																				
No restrictions apply to any of these intangible assets.																				
Significant intangible assets, that did not meet the recognition criteria for intangible assets as stipulated in IAS 38 and SIC 32, are as follows:																				
Website Costs incurred during the last two financial years have been expensed and not recognized as Intangible Assets. The municipality cannot demonstrate how its website will generate probable future economic benefits.																				
33. OTHER INCOME																				
Sale of Erven	3 598 088	6 613 540																		
Building plan fees and related income	8 124 419	10 115 883																		
Application for second dwelling	1 681 441	2 437 021																		
Contribution to capital projects	24 968 535	11 110 976																		
Vat Claim back	2 593 624	0																		
Rental of office space	1 751 000	0																		
Other income	7 741 514	7 990 157																		
Total other income	50 458 620	38 267 578																		

GEORGE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

	2007 R	2006 R
34 INTERNAL - CHARGES		
Inter-departmental charges have not been excluded from revenue and expenditure in the statement of financial performance. The Municipality is in the process of devising procedures to reverse all inter-departmental charges for financial reporting purpose in the future years.	40 315 237	33 503 108
35 CONTINGENT ASSET		
One of the attorney's used by George Municipality, Raubenheimers, indicated that the Municipality had successfully won a case brought by the Municipality against George Crocodile Park, on the 15 June 2006. Raubenheimers was subsequently notified on 21 August 2006 that an application for leave to appeal was to be made by George Crocodile Park.		
In the opinion of Raubenheimers, it is unlikely that the appeal will be successful and that George Municipality will recover the cost.	0	190 790
36 CORRECTION OF PRIOR PERIOD ERRORS		
(i) During the year ended 30 June 2006 creditor's were erroneously recognized to the amount of R1 572 076 which do not satisfy the definition of a creditor. The effect of the correction for the current year is that the comparative amount of Creditors is R1 572 076 less than previously reported, employee related cost is R1 572 076 less than previously reported and the Surplus for 2005/06 is R1 572 076 more than previously reported.		
(ii) Adjustment to correct the treatment Inventory - Obsolete Stock. The provision for obsolete stock had been created in the past to serve as a reserve for future write off of inventories - this reserve is no longer allowed in terms of GRAP and had now been reversed retrospectively. The effect of the correction for the current year is that the comparative amount of Inventory is R501 688 more than previously reported and the Surplus for 2005/06 is R501 688 more than previously reported.		
(iii) Adjustment to recognize Intangible assets retrospectively with a cost of R 1 466 223 and amortisation of R339 104 as at 30 June 2006. The effect of the correction for the current year is that the comparative cost of Intangible assets is R1 466 223 more than previously reported, computer software costs are R1 466 223 less than previously reported, amortisation of and accumulated amortisation on intangible assets are respectively R339 104 more than previously reported and the Surplus for 2005/06 is R1 127 119 more than previously reported.		
(iv) Adjustment to correct bad debts expense and various revenue service charges, which had been respectively understated with an amount of R25 344 000. An audit journal had been processed in 2006 - however management had erroneously processed this entry twice. This error had been corrected retrospectively. The effect of the correction for the current year is that the comparative amount of bad debt is R25 344 000 more than previously reported, various revenue service charges are in total R25 344 000 more than previously reported and the Surplus for 2005/06 remains unchanged.		
<u>The comparative amounts have been restated as follows:</u>	2 007	2006
(a) <u>Current liabilities - Creditors</u>		
Balance as at 30 June	83 829 733	59 081 177
(i) Adjustment of creditors(Employment related costs)	0	-1 572 076
Restated Balance	83 829 733	57 509 101
(b) <u>Accumulated Surplus</u>		
Balance as at 30 June	268 023 916	225 712 457
(i) Adjustment - Creditors (Note 3)	0	1 572 076
(ii) Adjustment of Inventory - Obsolete Stock (Note 13)	0	501 688
(iii) Adjustment of Intangible Assets	0	1 466 224
(iii) Adjustment of Intangible Assets - Amortisation	0	-339 104
Restated Balance	268 023 916	228 913 340
(c) <u>Inventory</u>		
Balance as at 30 June	9 262 131	5 860 947
(ii) Adjustment of Inventory	0	501 688
Restated Balance	9 262 131	6 362 635
(d) <u>Intangible Assets</u>		
Balance as at 30 June	1 157 061	0
(iii) Adjustment of Intangible Assets	0	1 466 224
(iii) Adjustment of Intangible Assets - Accumulated Amortisation	0	-339 104
Restated Balance	1 157 061	1 127 119
(e) <u>Repairs and maintenance</u>		
Balance as at 30 June	53 573 187	47 611 375
(iii) Adjustment of Computer Software costs	0	-1 466 223
Restated Balance	53 573 187	46 145 152
(f) <u>Amortisation: Intangible Assets</u>		
Balance as at 30 June	480 544	0
(iii) Adjustment of Intangible Assets - Amortisation	0	339 104
Restated Balance	480 544	339 104
(g) <u>Accumulated Amortisation: Intangible Assets</u>		
Balance as at 30 June	819 648	0
(iii) Adjustment of Intangible Assets - Accumulated Amortisation	0	339 104
Restated Balance	819 648	339 104
(h) <u>Employee Related Costs</u>		
Balance as at 30 June	131 880 118	112 039 681
(i) Adjustment of Employee Related Costs	0	-1 572 076
Restated Balance	131 880 118	110 467 605
(i) <u>Bad debts</u>		
Balance as at 30 June	7 345 707	26 360 794
(iv) Adjustment of Bad Debts (Note 45)	0	-25 344 000
Restated Balance	7 345 707	1 016 794
(j) <u>Revenue adjustment</u>		
Balance as at 30 June	271 910 927	266 069 852
(iv) Adjustment of Service Charges (Note 18)	0	-25 344 000
Restated Balance	271 910 927	240 725 852

GEORGE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

			2007 R	2006 R
37	FINANCIAL INSTRUMENTS			
(i)	<u>Fair values</u> (IAS 39.09) The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:			
		Carrying Amount	Fair Value	Carrying Amount
		2007	2007	2006
		R	R	R
	Financial Assets			
	<i>Held-to-maturity Investments</i>	11	303 811 896	233 167 808
	- Long term deposits		0	0
	- Short term deposits		285 732 381	216 827 241
	- Short term deposits - EFF Invested		0	0
	- Short term deposits - Grants Invested		0	383 980
	- Investment in RSA Government Stock		18 079 515	15 956 587
	<i>Loans and receivables</i>		73 775 252	80 744 827
	- Long term debtors	12	2 850 542	23 898 570
	- Consumer debtors	14	33 346 963	26 025 593
	- VAT receivable	9	5 929 226	0
	- Other debtors	15	25 989 896	28 182 730
	- Current portion of long-term debtors	12	5 658 625	2 637 934
	<i>Available for sale</i>		15 991 541	31 369 162
	Investment in municipal entities	11	0	0
	Bank balances and cash	16	15 991 541	31 369 162
	Financial Liabilities			
	<i>Financial liabilities that are not valued at fair value through profit and loss</i>			
	- Finance lease liabilities	3	-493 026	-39 525
	Local registered Stock Loans	3		-2 217 170
	Unsecured Bank Facilities :		-236 036 479	-148 741 044
	- Annuity loans	3	-227 315 237	-139 743 282
	- Other Loans	3	-8 721 242	-8 997 762
	Trade and Other Payables		-123 109 878	-89 965 884
	- Consumer deposits	5	-8 676 783	-8 100 233
	- Unspent conditional grants and receipts	8	-30 017 165	-21 220 866
	- Provisions	6	-586 197	-1 563 608
	- Creditors	7	-83 829 733	-59 081 177
			33 939 306	104 318 174
				105 574 508
	Unrecognised (loss) gain		-321 583	-1 256 334

(ii) **Effective interest rates and repricing analysis**
(IAS 32.67(a), (b))

In respect of income-earning financial assets and interest-bearing financial liabilities, the following tables indicates their average effective interest rates at the reporting date and the periods in which they mature or, if earlier, reprice.

	Note Ref In	Average effective interest rate	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	AFS							
Year ended 30 June 2007								
Fixed rate instruments								
<i>Held-to-maturity Investments</i>	11		303 779 515					
- ABSA Bank		9.25%	10 000 000	10 000 000				
- ABSA Bank		9.30%	11 000 000	11 000 000				
- ABSA Bank		9.40%	12 000 000	12 000 000				
- OLD MUTUAL Bank		9.10%	4 900 000	4 900 000				
- OLD MUTUAL Bank		9.20%	4 750 000	4 750 000				
- NEDBANK		9.20%	4 250 000	4 250 000				
- ABSA Bank		9.30%	7 000 000	7 000 000				
- ABSA Bank		9.35%	10 000 000	10 000 000				
- OLD MUTUAL Bank		8.60%	4 800 000	4 800 000				
- ABSA Bank		9.40%	18 000 000	18 000 000				
- ABSA Bank		9.30%	16 000 000	16 000 000				
- ABSA Bank		9.40%	9 000 000	9 000 000				
- ABSA Bank		9.10%	20 000 000	20 000 000				
- ABSA Bank		9.00%	20 000 000	20 000 000				
- ABSA Bank		9.35%	26 000 000	26 000 000				
- ABSA Bank		9.55%	30 000 000	30 000 000				
- ABSA Bank		9.65%	24 000 000	24 000 000				
- ABSA Bank		9.75%	26 000 000	26 000 000				
- ABSA Bank		9.85%	13 000 000	13 000 000				
- ABSA Bank		10.00%	15 000 000	15 000 000				
- Land Bank			18 079 515		18 079 515			
<i>Unsecured Bank facilities</i>	3		-236 036 479					
- INCA loan: No.1061		9.00%	-20 898 065					-20 898 065
- IDBSA loan: No.1062		9.04%	-34 360 848					-34 360 848
- INCA loan: No.1063		10.07%	-16 887 087					-16 887 087
- ABSA loan: No.1064		10.50%	-16 908 493					-16 908 493
- DBSA loan: No.1065		9.41%	-45 160 744					-45 160 744
- DBSA loan: No.1066		9.18%	-45 700 000					-45 700 000
- DBSA loan: No.1067		9.36%	-47 400 000					-47 400 000
- DBSA			-8 721 242				-8 721 242	
- STANNIC			0					
<i>Finance Lease Liabilities</i>	3		-493 026	-493 026				
			67 250 010	285 206 974	18 079 515	0	-8 721 242	-227 315 237

GEORGE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

					2007 R	2006 R
Variable rate instruments						
- Grants invested	11		0			
- Cash and Cash Equivalents	16		15 979 351	15 979 351		
			15 979 351	15 979 351	0	0
Year ended 30 June 2006						
Fixed rate instruments						
Held-to-maturity Investments	11		232 783 828			
- ABSA Bank		6.50%	42 250 000	42 250 000		
- ABSA Bank		7.00%	69 200 000	69 200 000		
- OLD MUTUAL Bank		6.23%	3 000 000	3 000 000		
- OLD MUTUAL Bank		6.75%	4 000 000	4 000 000		
- OLD MUTUAL Bank		8.00%	4 800 000		4 800 000	
- OLD MUTUAL Bank		7.65%	4 500 000	4 500 000		
- NEDBANK		7.48%	3 000 000	3 000 000		
- NEDBANK & ABSA Bank		7.75%	22 000 000		22 000 000	
- ABSA Bank		8.15%	18 000 000		18 000 000	
- ABSA Bank		7.55%	46 000 000	46 000 000		
- RSA Government Stock		12.49%	16 033 828		16 033 828	
Local registered Stock Loans			-2 217 170			
- Stock loan: No.16			-1 400 000	-1 400 000		
- Stock loan: No.17			-817 170	-817 170		
Unsecured Bank facilities	3		-148 741 044			
- INCA loan: No.1061		9.00%	-22 621 656			-22 621 656
- IDBSA loan: No.1062		9.04%	-35 121 626			-35 121 626
- INCA loan: No.1063		10.07%	-18 000 000			-18 000 000
- ABSA loan: No.1064		10.50%	-18 000 000			-18 000 000
- DBSA loan: No.1065		9.41%	-46 000 000			-46 000 000
- DBSA			-8 992 309		-8 992 309	
- STANNIC			-5 453	-5 453		
Finance Lease Liabilities	3		-39 525	-39 525		
			81 786 089	169 687 852	40 000 000	20 833 828
Variable rate instruments						
- Grants invested	11		383 980	383 980		
- Cash and Cash Equivalents	16		31 369 162	31 369 162		
			31 753 142	31 369 162	383 980	0

(iii) **Risk Exposures**

The municipality is at risk in the following areas:

- (i) *Credit Risk*, which is defined as the risk that one party to a financial instrument will fail to honour its obligation, thus causing the other party to incur a financial loss.

- (ii) *Interest Rate Risk*, which is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of credit risk and interest rate risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the CFO and authorised by the Municipal Council.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of an allowance for doubtful debt.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:

	2007	2006
Fixed Deposit Investments	285 732 381	216 827 241
Investment in Municipal Bonds	0	
Investment in RSA Government Stock	18 079 515	15 956 587
Investment in Municipal Entities	0	0
Long-term Receivables	8 509 167	23 898 570
Consumer Debtors	33 346 963	26 025 593
Other Debtors	25 989 896	28 182 730
VAT Receivable	5 929 226	0
Short-term Investment Deposits	0	383 980
Bank and Cash Balances	15 991 541	31 369 162
Maximum Credit and Interest Risk Exposure	393 578 689	342 643 863

38 DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES

In terms of section 36(2) of the Supply Chain Management Policy approved by Council it is stipulated that bids where the formal procurement processes could not be followed must be noted in the financial statements.

The majority of the items mentioned resulted from flood damage that had to be addressed at short notice and the response times did not allow for the complete procurement process to be followed.

The balance of items was due to emergency circumstances and economic benefits for the Municipality.

DEPARTMENT	DESCRIPTION	SUCCESSFUL TENDRER	AMOUNT AND REASONS
Civil Engineering Sep-06	Appointment of contractor for the construction of two culvert crossings and associated roadwork's at Pienaar and Grens, George	New Heights	R3 930 606.57 Including VAT. Flood disaster
Civil Engineering Sep-06	Appointment of contractor for remedial work in Whites Road and Hillside Road, Wilderness	Robcon Civils	R2 298 951.93 Including VAT. Flood disaster
Civil Sep-06	Appointment of contractor for flood damage remedial work in Harold's Bay (21/129c)	New Heights (Pty) Ltd	R2 114 568.79 Including VAT. Flood disaster

GEORGE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

2007
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2006
R

DEPARTMENT	DESCRIPTION	SUCCESSFUL TENDRER	AMOUNT AND REASONS
Electro-Technical Services Nov-06	Emergency work – Outeniqua Park stadium lighting	South Cape Electrical	±R40 000.00 Vat Included. Emergency due to vandalism.
Civil Engineering Nov-06	Appointment of contractor for flood remedial work on the bank of the Kat River	AGMS	R2 768 821.51 Vat Included. Flood disaster
Electro-Technical Services Mar-07	Earthworks at proposed new ESKOM /George 132 kv Substation	Kantley & Tempier □ Constructive Civil Eng. □ BDE Consulting Engineers	R90 665.48 Excluding VAT Emergency
Finance Department Jun-07	Assistance with identifying and addressing Deviations from generally accepted accounting practice (GAAP)	DURCHAME Consulting (PTY)Ltd	R319 200.00 Including VAT Emergency

2 007

2 006

39 LEASES

(i) Operating leases - Receipts

2 718 850

3 267 136

The following lease receipts are receivable under the operating lease of property, plant and equipment

- Receivable: with 1 year
- 1 year to 5 years
- later than 5 years

552 185	473 600
1 334 550	1 907 659
832 115	885 878

The municipality has the following class of significant leasing arrangements:

- Leases of land and buildings

Included in this class is the following significant lease:

- Victoria Bay Kiosk - receipt of the current year R 252, 550
- Escalation at 12% per annum
- Period of lease outstanding at year end: 35 months

(ii) Operating leases - Payments

1 828 684

1 688 334

The following lease payments are due under the operating lease of property, plant and equipment

- Payable: with 1 year
- 1 year to 5 years

654 510	858 479
1 174 174	829 855

The municipality has operating lease agreements for the following classes of assets, which are only significant collectively:

- Office equipment
- Vehicles

(iii) Finance leases - Payments

Minimum lease payments

- Payable: with 1 year
- 1 year to 5 years

561 228	184 487
258 861	52 834
302 367	131 653

Less: interest portion

Present value of lease liability

- Payable: with 1 year
- 1 year to 5 years

-65 256	-37 222
493 026	147 265
216 357	36 989
276 669	110 276

40 OTHER EMPLOYEE BENEFIT INFORMATION

Defined benefit plan accounting as required by IAS 19/AC 116 have been exempted in terms of General notice 552 of 2007 and had not been applied for the previous or current financial year. These defined benefit plans had been accounted for as defined contribution plans and the defined benefit obligations are disclosed hereafter by narrative information for the current financial year.

(i) Post Employment Health Care Benefits

The municipality's obligation for post employment health care benefits is a defined benefit plan. This plan may be wholly or partly funded by contributions by the municipality (and its employees) into funds that are legally separate from the municipality and from which the employee benefits are paid. The payment of the funded benefits when they fall due depends not only on the financial position and the investment performance of these funds but also on the municipality's ability to make good for any shortfall in the fund's assets. Therefore the municipality is, in substance, underwriting the actuarial and investment risks associated with the plan. Consequently, the expense recognised for the defined benefit plan is not necessarily the amount of the contribution due for the period. The municipality's net obligation in respect of the defined benefit post employment health care plans is the present value of the defined benefit obligation less the fair value of any plan assets, together with adjustments for unrecognised actuarial gains or losses and past service cost.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows of the benefits that will be paid to employees and using suitable interest rates that have terms to maturity proximating the terms of the related medical obligations. The calculation is performed by qualified actuaries using the projected unit credit method.

The Post Employment Health Care Benefit plan is a defined benefit plan, of which the members are made up as follows:

- In-service (employee) members	378
- Continuation members	116
Total	494

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas;
- Global Health;
- Hosmed;
- LA Health; and
- Munimed.

(ii) Long service bonuses

The municipality's obligation for long service bonuses is a defined benefit plan. This plan is be wholly unfunded as no contributions are made by the municipality into funds that are legally separate from the municipality and from which the employee benefits are paid (each subsequent financial year's expected payments of long service bonuses are budgeted for). The municipality, in substance, underwrites the actuarial and investment risks associated with the plan. Consequently, the expense recognised for the defined benefit plan is the full additional liability accrued due to additional benefit entitlement. The municipality's net obligation in respect of the defined benefit long service bonuses is the present value of the defined benefit obligation less the fair value of any plan assets, together with adjustments for unrecognised actuarial gains or losses and past service cost. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows of the benefits that will be paid to employees and using suitable interest rates. The calculation is performed by qualified actuaries using the projected unit credit method.

As at year end, only one employee was eligible for a long service bonus (to be paid within 12 months from year end), which had been paid in the new financial year.

GEORGE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

2007
R

2006
R

(iii) **Other retirement funds: multi-employer plans**

- The personnel of the George Municipality are members of the funds as set out below. These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below. The Cape Joint Pension Fund and Cape Joint Retirement Fund are defined benefit plans, whereas the Municipal Councillors Fund and the Provident Fund are defined contribution plans. All of these afore-mentioned funds are multi-employer plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:

- The assets of each fund are held in one portfolio; these assets are not notionally allocated to each of the participating employers.
- One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.
- The same rate of contributions applies to all participating employers, and no regard is paid to differences in the membership distribution of the participating employers.

- Defined benefit plan accounting as required by IAS 19/AC 116 have been exempted in terms of General notice 552 of 2007 and had not been applied for the previous or current financial year.

- It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

CAPE JOINT PENSION FUND

- The Cape Joint Pension Fund's contribution rate payable is 9%, by the members and 18% by Council. The last valuation performed for the year ended 30 June 2006 (30 June 2005) revealed that the fund had an actuarial surplus of R293,01 (R87,2) million with a funding level of 111,4% (103,4%), and is in a sound financial state as at 30 June 2006.

CAPE JOINT RETIREMENT FUND

The contribution rate paid by the members (9,0%) and Council (18,0%) is sufficient to fund the benefits accruing from the fund in future. The last valuation performed for the year ended 30 June 2006 (30 June 2003) revealed that the fund had an actuarial surplus of R38,58 (R0) million with a funding level of 114% (100%). Certified in a sound financial position as at 30 June 2006.

SALA PENSION FUND

The fund has been certified in a sound financial position as at 1 July 2006 and has improved to a position where it is now 100% funded. It should be noted that the rule amendments giving effect to the changes as at 1 July 2003 in terms of the previous Scheme of Arrangement have been approved. Although these rule amendments were fully backdated, there is a risk that some backlog benefit payments may still be necessary in terms of the precedent set by the Adjudicator's ruling that a member was underpaid in a specific instance. Provision for this eventuality has been made in the financial account of the Fund. The Council is contributing an additional 2,71% to the fund as from 1 July 2005 effective from July 2003.

MUNICIPAL COUNCILLORS PENSION FUND

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13,75%) and council (15%) is sufficient to fund the benefits accruing from the fund in the future. The actuarial valuation of the fund was undertaken at 30 June 2005 and reported a funding ratio of 147,3%.

SOUTH AFRICAN MUNICIPAL WORKERS UNION NATIONAL PROVIDENT FUND

The contribution rate payable is 5% by the members and not less than 12% by Council. The last valuation performed for the year ended 30 June 2005, certified that the fund is in a sound financial state.

41 CAPITAL COMMITMENTS

CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

- Approved and contracted for:

Infrastructure
Community
Heritage
Other
Investment Properties

105 530 000	41 310 998
96 810 000	33 253 998
4 120 000	6 107 000
0	0
2 600 000	1 950 000
2 000 000	0

- Approved but not yet contracted for:

Infrastructure
Community
Heritage
Other
Investment Properties

167 494 388	188 301 000
146 933 388	172 995 000
4 813 000	2 896 000
0	0
15 748 000	12 410 000
0	0

TOTAL

273 024 388 **229 611 998**

This expenditure will be financed from:

- External Loans
- Capital Replacement Reserve
- Government Grants
- District Council Grants

100 379 000	128 075 000
105 549 000	47 042 000
67 096 388	51 494 998
0	3 000 000
273 024 388	229 611 998

42 RELATED PARTY TRANSACTIONS

42.1 Related Party transactions

Year ended 30 June 2007	Rates	Service charges	Other	Outstanding Balances
Councillors	R 55 264	R 95 174	R 0	R 9 634
Municipal Manager and Section 57 Personnel	R 8 417	R 13 515	R 0	R 1 031
Municipal Entities	R 0	R 0	R 0	R 0

Year ended 30 June 2006	Rates	Service charges	Other	Outstanding Balances
Councillors	R 50 913	R 91 625	R 0	R 720
Municipal Manager and Section 57 Personnel	R 0	R 0	R 0	R 0
Municipal Entities	R 0	R 0	R 0	R 0

The rates, service charges and other charges are in accordance with approved tariffs that was advertised to the public. No bad debt expenses had been recognised in respect of amounts owed by related parties.

GEORGE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

	2007 R	2006 R
42.2 Related Party Loans		
Loans to Councillors and senior management employees are no longer permitted since 1 July 2004. Loans that were granted prior to this date, together with the conditions, are disclosed in note 12 to the Annual Financial Statements.		
42.3 Compensation of key management personnel		
The compensation of key management personnel is set out in notes 20 and 21 to the Annual Financial Statements.		
42.4 OTHER RELATED PARTY TRANSACTIONS		
The municipality concluded a contract with Leanco Business Services and services to the value of R 149 650.00 were paid to the business. The owner of this company, Mrs L. Neethling is related to the Councillor C. Neethling. Refer to note no 11 for transactions with municipal entities.		
43 GENERAL EXPENSES		
Included in general expenses amounting to R104,282,919 (2006: R76,550,245) are the following:-		
Flood damages	18 249 521	0
Energy costs	6 511 225	5 084 646
Chemicals	5 200 706	3 797 768
Travel, Accommodation and Entertainment	16 139 236	12 244 758
Net realisable value	39 335	0
Other	58 407 625	55 423 072
	<u>104 547 648</u>	<u>76 550 245</u>
44 DEPRECIATION AND AMORTISATION		
Depreciation: Property, Plant and Equipment	30 705 014	25 523 887
Amortisation: Intangible Assets	480 544	339 104
	<u>31 185 558</u>	<u>25 862 991</u>
45 BAD DEBTS		
Write offs	27 908 999	26 360 793
Probability of revenue adjustment	-15 612 414	-25 344 000
Adjustments to Provision	-4 950 878	0
	<u>7 345 707</u>	<u>1 016 793</u>
(See note 36(iv) for adjustment of comparative figure)		

APPENDIX A

GEORGE LOCAL MUNICIPALITY : EXTERNAL LOANS FOR THE YEAR ENDED 30 JUNE 2007

EXTERNAL LOANS					BALANCE AT 30/06/2006 (R)	RECEIVED DURING THE YEAR (R)	REDEEMED DURING THE YEAR (R)	TRANSFERRED DURING THE YEAR (R)	BALANCE AT 30/06/2007 (R)	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
<u>LONG - TERM LOANS:</u>											
LOCAL REGISTERED STOCK											
Stock Loan	@	13.35%	Loan No. 16	Redeemable 2006	1 400 000.00	0.00	-1 400 000.00	0.00	0.00	Refer to note 3	0
Stock Loan	@	12.58%	17	2006	817 170.00	0.00	-817 170.00	0.00	0.00	Refer to note 3	0
Total long - term loans					2 217 170.00	0.00	-2 217 170.00	0.00	0.00	0	0
<u>ANNUITY LOANS:</u>											
INCA	@	9.00%	1061	2015	22 621 656.01		-1 723 590.88	0.00	20 898 065.13	19 348 211	0
DBSA	@	9.04%	1062	2025	35 121 625.83		-760 777.80	0.00	34 360 848.03	33 708 036	0
INCA	@	10.07%	1063	2016	18 000 000.00		-1 112 913.36	0.00	16 887 086.64	17 069 171	0
ABSA	@	10.50%	1064	2016	18 000 000.00		-1 091 507.27	0.00	16 908 492.73	16 807 975	0
DBSA	@	9.41%	1065	2026	46 000 000.00		-839 255.98	0.00	45 160 744.02	45 390 347	0
DBSA	@	9.18%	1066	2027	0.00	45 700 000.00	0.00	0.00	45 700 000.00	45 666 792	0
DBSA	@	9.365%	1067	2017	0.00	47 400 000.00	0.00	0.00	47 400 000.00	47 344 932	0
Total annuity loans					139 743 281.84	93 100 000.00	-5 528 045.29	0.00	227 315 236.55	225 335 464	0
<u>LEASE LIABILITY:</u>											
Vehicle Leases					39 525.08	98 936.67	-30 758.13	2 581.85	110 285.47	99 948	0
Other Leases					0.00	537 374.45	-154 633.51	0.00	382 740.94	408 063	0
Total leases					39 525.08	636 311.12	-185 391.64	2 581.85	493 026.41	508 011	0
<u>OTHER LOANS:</u>											
Electricity service : (DBSA)					6 460 493.23	0.00	-180 645.08	0.00	6 279 848.15	5 215 788	1 064 060
Stannic: Zafira CAW 41876 (R163 599.87 - 60 months)					5 453.59	0.00	-5 453.59	0.00	0.00	0	0
Total Other Loans : George					6 465 946.82	0.00	-186 098.67	0.00	6 279 848.15	5 215 788	1 064 060
<u>Wilderness:</u>											
Sewerage : (DBSA)					2 531 816.24	0.00	-90 422.01	0.00	2 441 394.23	846 652	1 594 742
Total Other Loans : Wilderness					2 531 816.24	0.00	-90 422.01	0.00	2 441 394.23	846 652	1 594 742
Total : Other Loans					8 997 763.06	0.00	-276 520.68	0.00	8 721 242.38	6 062 440	2 658 802
GRAND TOTAL					150 997 739.98	93 736 311.12	-8 207 127.61	2 581.85	236 529 505.34	231 905 915	2 658 802

APPENDIX B

GEORGE LOCAL MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2007

Category/Type	COST							ACCUMULATED DEPRECIATION							Carrying Value	Budget Additions
	Opening Balance	Transfers WIP	Transfers Other	Additions	Write-offs	Disposals	Closing Balance	Opening Balance	Transfers	Additions	Write-offs	Disposals	Closing Balance			
INFRASTRUCTURE																
Access control	8 446.20	0.00		0.00	0.00	0.00	8 446.20	-8 446.20	0.00		0.00	0.00	-8 446.20	0.00		
Bridges, subways & culverts	380 482.91	0.00		3 861 246.41	0.00	0.00	4 241 729.32	-25 365.41	0.00	-14 798.62	0.00	0.00	-40 164.03	4 201 565.29	3 861 800.00	
Bus terminals	1 301 459.31	0.00		1 381 411.51	0.00	0.00	2 682 870.82	-111 902.91	0.00	-65 252.63	0.00	0.00	-177 155.54	2 505 715.28	1 383 000.00	
Car parks	494 626.34	0.00		678 741.55	0.00	0.00	1 173 367.89	-304 637.07	0.00	-22 393.42	0.00	0.00	-327 030.49	846 337.40	750 000.00	
Fencing	1 822 073.12	34 970.00	6 492.58	1 642 955.50	0.00	0.00	3 506 491.20	-1 029 189.27	1 948.88	-425 911.06	0.00	0.00	-1 457 049.21	2 049 441.99	1 858 700.00	
Footways	0.00			154 728.60	0.00	0.00	154 728.60	0.00		-118.88	0.00	0.00	-118.88	154 609.72	179 000.00	
Load Control equipment	2 345 955.31	0.00		739 869.06	0.00	0.00	3 085 824.37	-403 199.69	0.00	-117 296.58	0.00	0.00	-520 496.27	2 565 328.10	8 491 000.00	
Mains	5 094 885.38	0.00		1 485 321.90	0.00	0.00	6 580 207.28	-2 856.65	-1 567.47	-240 087.98	0.00	0.00	-241 377.16	6 338 830.12	1 568 100.00	
Mains	7 255.10	0.00		0.00	0.00	0.00	7 255.10	-7 255.10	0.00	0.00	0.00	0.00	-7 255.10	0.00	0.00	
Meters	99 780.49	0.00		0.00	0.00	0.00	99 780.49	-19 969.71	0.00	-4 988.98	0.00	0.00	-24 958.69	74 821.80	0.00	
Meters	3 364 654.67	0.00		0.00	0.00	0.00	3 364 654.67	-700 475.90	0.00	-218 049.32	0.00	0.00	-918 525.22	2 446 129.45	0.00	
Motorways	0.00	0.00		308 314.27	0.00	0.00	308 314.27	0.00	0.00	-506.87	0.00	0.00	-506.87	307 807.40	309 000.00	
Office Buildings	0.00	0.00		113 909.89	0.00	0.00	113 909.89	0.00	60.90	-11 112.76	0.00	0.00	-11 173.66	102 736.23	117 800.00	
Outfall sewers	216 418.64	0.00		0.00	0.00	0.00	216 418.64	-21 641.74	0.00	-10 820.82	0.00	0.00	-32 462.56	183 956.08	0.00	
Paving	0.00	0.00		737 245.77	0.00	0.00	737 245.77	0.00	0.00	-1 081.05	0.00	0.00	-1 081.05	736 164.72	1 161 500.00	
Power stations	527 808.55	0.00		0.00	0.00	0.00	527 808.55	-374 055.07	0.00	-17 593.42	0.00	0.00	-391 648.49	136 160.06	0.00	
Pump stations	2 867 255.49	5 324 529.33		307 520.64	0.00	0.00	8 499 305.46	-559 412.03	0.00	-408 595.76	0.00	0.00	-968 007.79	7 531 297.67	6 522 635.00	
Purification works	1 698 213.15	0.00		0.00	0.00	0.00	1 698 213.15	-1 060 809.60	0.00	-37 748.91	0.00	0.00	-1 098 558.51	599 654.64	0.00	
Other roads	106 929 194.19	7 492 803.40		16 412 897.36	0.00	0.00	130 834 894.95	-46 002 675.99	0.00	-8 572 795.43	0.00	0.00	-54 575 471.42	76 259 423.53	56 968 700.00	
Security systems	1 408 070.93	0.00		124 200.80	0.00	0.00	1 532 271.73	-1 255 327.95	0.00	-63 872.38	0.00	0.00	-1 319 200.33	213 071.40	131 500.00	
Sewers	57 577 539.58	2 917 651.77		12 414 880.83	0.00	0.00	72 910 072.18	-24 639 784.02	0.00	-2 700 500.04	0.00	0.00	-27 340 284.06	45 569 788.12	14 668 300.00	
Sludge machines	3 427 380.92	0.00		0.00	0.00	0.00	3 427 380.92	-2 302 154.88	0.00	-226 664.38	0.00	0.00	-2 528 819.26	898 561.66	0.00	
Sewerage pumps	4 852 963.08	0.00		0.00	0.00	0.00	4 852 963.08	-1 501 107.71	0.00	-304 545.61	0.00	0.00	-1 805 653.32	3 047 309.76	121 000.00	
Street lighting	8 709 733.73	0.00		930 042.68	0.00	0.00	9 639 776.41	-2 710 958.07	294.91	-441 853.49	0.00	0.00	-3 153 106.47	6 486 669.94	1 259 000.00	
Supply/reticulation	94 754 199.80	10 994 786.21		5 218 534.11	0.00	0.00	110 967 520.12	-37 631 125.73	1 211.66	-4 231 461.77	0.00	0.00	-41 863 799.16	69 103 720.96	5 782 400.00	
Supply/reticulation	62 594 776.19	3 806 479.36		35 798 490.94	0.00	0.00	102 199 746.49	-26 406 148.46	164.03	-3 038 363.04	0.00	0.00	-29 444 675.53	72 755 070.96	35 843 200.00	
Stormwater drains	4 075 840.18	0.00		10 022 215.57	0.00	0.00	14 098 055.75	-116 234.35	0.00	-237 705.54	0.00	0.00	-353 939.89	13 744 115.86	10 226 500.00	
Switchgear equipment	6 117 022.00	0.00		1 502 503.61	0.00	0.00	7 619 525.61	-2 398 595.56	0.00	-300 390.30	0.00	0.00	-2 698 985.86	4 920 539.75	1 533 965.00	
Reservoirs & tanks	10 507 944.06	0.00		0.00	0.00	0.00	10 507 944.06	-7 154 790.55	0.00	-375 972.36	0.00	0.00	-7 530 762.91	2 977 181.15	0.00	
Transformer kiosks	16 226 159.49	0.00		11 678 361.96	0.00	0.00	27 904 521.45	-3 698 059.62	-56.67	-534 952.36	0.00	0.00	-4 232 955.31	23 671 566.14	11 802 900.00	
Traffic islands	11 434.20	0.00		0.00	0.00	0.00	11 434.20	-11 434.20	0.00	0.00	0.00	0.00	-11 434.20	0.00	0.00	
Traffic lights	3 762 476.38	0.00		2 840 735.08	0.00	0.00	6 603 211.46	-647 544.44	0.00	-185 758.63	0.00	0.00	-833 303.07	5 769 908.39	2 868 000.00	
Street names & traffic signs	631 916.20	0.00		0.00	0.00	0.00	631 916.20	-71 666.13	0.00	-31 588.41	0.00	0.00	-103 254.54	528 661.66	0.00	
	401 815 965.59	30 571 220.07	6 492.58	108 354 128.04	0.00	0.00	540 747 806.28	-161 176 824.01	2 056.24	(R 22 842 780.80)	R 0.00	R 0.00	(R 184 021 661.05)	R 356 726 145.23	R 167 408 000.00	
COMMUNITY																
Beach developments	2 676 711.34	0.00		0.00	0.00	0.00	2 676 711.34	-145 728.24	0.00	-89 222.81	0.00	0.00	-234 951.05	2 441 760.29	0.00	
Bowling greened	106 487.78	0.00		0.00	0.00	0.00	106 487 78	-95 897.15	0.00	-5 324.32	0.00	0.00	-101 221.47	5 266.31	0.00	
Care centres	1 345 233.64	0.00		188 320.86	0.00	0.00	1 533 554.50	-112 316.04	0.00	-44 995.41	0.00	0.00	-157 311.45	1 376 243.05	1 100 000.00	
Cemeteries	58 330.05	9 531.00		0.00	0.00	0.00	67 861.05	-13 521.51	0.00	-2 262.04	0.00	0.00	-15 783.55	52 077.50	0.00	
Community centres	18 811 615.94	0.00		1 183 026.38	0.00	0.00	19 994 642.32	-1 262 038.57	0.00	-627 247.31	0.00	0.00	-1 889 285.88	18 105 356.44	1 330 000.00	
Fencing	6 492.58	0.00	-6 492.58	0.00	0.00	0.00	0.00	-1 948.88	-1 948.88	0.00	0.00	0.00	0.00	0.00	0.00	
Fire stations	268 672.35	0.00		116 736.56	0.00	0.00	385 408.91	-169 731.18	0.00	-8 976.97	0.00	0.00	-178 708.15	206 700.76	140 000.00	
Floodlighting	5 848 100.44	0.00		0.00	0.00	0.00	5 848 100.44	-197 159.52	0.00	-290 201.45	0.00	0.00	-487 360.97	5 360 739.47	0.00	
Game reserves/rest camps	26 998.37	-26 998.37		0.00	0.00	0.00	0.00	-599.14	-599.14	0.00	0.00	0.00	0.00	0.00	0.00	
Clinics/hospitals	1 823 763.17	0.00		999 999.73	0.00	0.00	2 823 762.90	-637 636.85	0.00	-60 882.71	0.00	0.00	-698 519.56	2 125 243.34	1 000 000.00	
Hostels	170 348.58	0.00		0.00	0.00	0.00	170 348.58	-70 311.74	0.00	-5 678.22	0.00	0.00	-75 989.96	94 358.62	0.00	
Housing Schemes	2 740 153.44	0.00		8 337 513.49	0.00	0.00	11 077 666.93	-1 190 458.71	0.00	-92 814.90	0.00	0.00	-1 283 273.61	9 794 393.32	10 275 000.00	
Indoor sports	127 552.33	0.00		0.00	0.00	0.00	127 552.33	-91 938.06	0.00	-4 251.66	0.00	0.00	-96 189.72	31 362.61	0.00	
Libraries	1 732 025.55	0.00		0.00	0.00	0.00	1 732 025.55	-685 571.53	0.00	-57 733.55	0.00	0.00	-743 305.08	988 720.47	0.00	
Municipal buildings	32 805 506.41	249 624.35		1 061 529.98	0.00	0.00	34 116 660.74	-8 480 511.88	0.00	-1 094 041.74	0.00	0.00	-9 574 553.62	24 542 107.12	1 901 000.00	
Municipal houses	137 519.10	0.00		0.00	0.00	0.00	137 519.10	-88 675.59	0.00	-6 182.90	0.00	0.00	-94 858.49	42 660.61	0.00	
Museum/art galleries	2 664.00	0.00		0.00	0.00	0.00	2 664.00	-2 043.86	0.00	-88.79	0.00	0.00	-2 132.65	531.35	0.00	
Netball courts	5 672.94	0.00		0.00	0.00	0.00	5 672.94	-5 672.94	0.00	0.00	0.00	0.00	-5 672.94	0.00	0.00	

APPENDIX B

GEORGE LOCAL MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2007

Category/Type	COST							ACCUMULATED DEPRECIATION							Budget Additions
	Opening Balance	Transfers WIP	Transfers Other	Additions	Write-offs	Disposals	Closing Balance	Opening Balance	Transfers	Additions	Write-offs	Disposals	Closing Balance	Carrying Value	
COMMUNITY (CONTINUED)															
Office Buildings	3 826 912.04	863 143.38	0.00	205 560.68	0.00	0.00	4 895 616.10	-284 645.90	0.00	-130 447.10	0	0.00	-415 093.00	4 480 523.10	900 300.00
Outdoor sports facilities	7 016 539.69	0.00	0.00	3 166 562.83	0.00	0.00	10 183 102.52	-2 684 076.10	0.00	-408 851.87	0	0.00	-3 092 927.97	7 090 174.55	3 496 000.00
Parks	1 044 049.80	0.00	0.00	0.00	0.00	0.00	1 044 049.80	-264 586.14	0.00	-34 801.29	0	0.00	-299 387.43	744 662.37	0.00
Public conveniences/bathhouses	1 776 060.75	0.00	0.00	34 100.00	0.00	0.00	1 810 160.75	-467 503.33	0.00	-59 341.34	0	0.00	-526 844.67	1 283 316.08	35 000.00
Recreation centres	366 328.10	1 868 712.35	0.00	1 067 986.85	0.00	0.00	3 303 027.30	-32 420.18	0.00	-102 630.35	0	0.00	-135 050.53	3 167 976.77	1 068 000.00
Swimming Pool	0.00	6 087 206.28	0.00	2 582 856.05	0.00	0.00	8 670 062.33	0.00	0.00	-1 187.79	0	0.00	-1 187.79	8 668 874.54	2 712 000.00
Tennis courts	215 823.88	0.00	0.00	0.00	0.00	0.00	215 823.88	-189 105.99	0.00	-5 794.88	0	0.00	-194 900.87	20 923.01	0.00
Workshop	1 024 875.94	0.00	0.00	0.00	0.00	0.00	1 024 875.94	-393 561.89	0.00	-34 162.02	0	0.00	-427 723.91	597 152.03	0.00
	83 964 438.21	9 051 218.99	-6 482.58	18 944 193.41	0.00	0.00	111 953 358.03	(R 17 567 660.92)	(R 2 548.02)	(R 3 167 121.42)	R 0.00	R 0.00	(R 20 732 234.32)	R 91 221 123.71	R 23 957 300.00
HERITAGE															
Heritage buildings	607 331.38	0.00	0.00	0.00	0.00	0.00	607 331.38	0.00	0.00	0.00	0.00	0.00	0.00	607 331.38	0.00
	607 331.38	0.00	0.00	0.00	0.00	0.00	607 331.38	0.00	0.00	0.00	0.00	0.00	0.00	607 331.38	0.00
OTHER															
Air conditioners	154 002.87	0.00	0.00	0.00	0.00	0.00	154 002.87	-122 308.17	0.00	-11 995.01	0.00	0.00	-134 303.18	19 699.69	0.00
Animal Pound	0.00	26 998.37	0.00	76 815.00	0.00	0.00	103 813.37	0.00	599.14	-5 998.75	0.00	0.00	-5 998.75	97 614.62	110 000.00
Buildings	0.00	399 645.94	0.00	3 279 400.81	0.00	0.00	3 679 046.75	0.00	0.00	0.00	0.00	0.00	0.00	3 679 046.75	6 453 000.00
Bulk containers	934 387.86	0.00	0.00	0.00	0.00	-35 213.69	899 174.17	-345 100.42	0.00	-89 916.53	0.00	35 213.69	-399 803.26	499 370.91	0.00
Cabinets/cupboards	109 410.68	0.00	0.00	0.00	0.00	-10 054.80	99 355.88	-109 410.68	0.00	0.00	0.00	10 054.80	-99 355.88	0.00	0.00
Caravan Parks	0.00	0.00	0.00	813 939.70	0.00	0.00	813 939.70	0.00	0.00	-446.04	0.00	0.00	-446.04	813 493.66	814 000.00
Computer hardware	2 207 096.53	0.00	0.00	202 017.89	0.00	0.00	2 409 114.42	-1 687 157.35	-136.44	-80 646.21	0.00	0.00	-1 767 667.12	641 447.30	207 000.00
Compactor - landfill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Computer software	1 699 421.96	0.00	0.00	59 422.17	0.00	0.00	1 758 844.13	-1 486 286.93	0.00	-151 315.77	0.00	0.00	-1 637 602.70	121 241.43	60 000.00
Equipment/apparatus - Traffic	0.00	0.00	0.00	74 000.00	0.00	0.00	74 000.00	0.00	0.00	-648.83	0.00	0.00	-648.83	73 351.17	86 000.00
Electrical equipment	101 625.26	0.00	0.00	736 560.00	0.00	0.00	838 185.26	-20 324.86	56.87	-38 545.07	0.00	0.00	-58 926.60	779 258.66	895 000.00
laboratory equipment	49 475.00	0.00	0.00	0.00	0.00	0.00	49 475.00	-15 994.57	0.00	-9 894.90	0.00	0.00	-25 889.47	23 585.53	0.00
Radio equipment	629 659.18	0.00	0.00	42 021.43	0.00	0.00	671 680.61	-603 032.47	-160 714.25	-17 679.42	0.00	0.00	-459 997.64	211 682.97	42 100.00
Telecommunication equipment	688 200.08	0.00	0.00	188 997.70	0.00	0.00	877 197.78	-248 891.56	160 850.69	-156 692.91	0.00	0.00	-566 435.16	310 762.62	194 400.00
Fire equipment	376 249.87	0.00	0.00	72 330.00	0.00	0.00	448 579.87	-240 542.75	0.00	-24 096.55	0.00	0.00	-264 639.30	183 940.57	90 000.00
Generator	0.00	0.00	0.00	1 080 530.00	0.00	0.00	1 080 530.00	0.00	0.00	-592.13	0.00	0.00	-592.13	1 079 937.87	1 080 600.00
General plant	7 056 697.69	0.00	0.00	121 498.98	0.00	-562 404.40	6 615 792.27	-4 541 779.55	-164.03	-602 152.11	0.00	559 165.99	-4 584 601.64	2 031 190.63	627 700.00
Fire hoses	96 801.24	0.00	0.00	0.00	0.00	0.00	96 801.24	-64 448.11	0.00	-14 928.30	0.00	0.00	-79 376.41	17 424.83	0.00
Hoist - refuse bins	69 291.67	0.00	0.00	0.00	0.00	0.00	69 291.67	-80 227.34	0.00	-1 813.83	0.00	0.00	-82 041.17	7 250.50	0.00
Lathes	55 041.80	0.00	0.00	0.00	0.00	0.00	55 041.80	-55 041.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loader - drill	771 676.03	0.00	0.00	0.00	0.00	0.00	771 676.03	-308 668.86	0.00	-154 333.66	0.00	0.00	-463 002.52	308 673.51	0.00
Loader - front - end	0.00	0.00	0.00	399 030.26	0.00	0.00	399 030.26	0.00	0.00	-23 613.81	0.00	0.00	-23 613.81	375 416.45	399 031.00
Miscellaneous furniture	373 104.52	0.00	0.00	0.00	0.00	0.00	373 104.52	-225 662.85	0.00	-34 121.83	0.00	0.00	-259 784.68	113 319.84	0.00
Office machines	323 708.25	0.00	0.00	88 446.26	0.00	0.00	412 154.51	-308 536.30	0.00	-15 252.73	0.00	0.00	-323 789.03	88 365.48	107 900.00
Other land	4 238 881.98	0.00	0.00	0.00	0.00	0.00	4 238 881.98	0.00	0.00	0.00	0.00	0.00	0.00	4 238 881.98	0.00
Pumps	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4 371 000.00
Tables/desks	252 701.02	0.00	0.00	0.00	0.00	0.00	252 701.02	-115 714.04	0.00	-33 470.09	0.00	0.00	-149 184.13	103 516.89	0.00
Tipsters	421 296.01	0.00	0.00	0.00	0.00	-80 934.39	340 361.62	-242 156.01	0.00	-22 690.54	0.00	80 934.39	-183 912.16	156 449.46	0.00
Tip Sites	6 748 981.49	251 828.50	0.00	0.00	0.00	0.00	7 000 809.99	-222 136.19	0.00	-233 358.04	0.00	0.00	-455 494.23	6 545 315.76	0.00
Tools	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27 574.00
Town planning	8 931 152.16	1 649 552.01	0.00	771 042.65	0.00	0.00	11 351 746.82	-6 035 631.33	0.00	-928 330.88	0.00	0.00	-6 963 962.21	4 387 784.61	1 926 048.00
Trailers	140 128.47	0.00	0.00	156 875.92	0.00	0.00	297 004.39	-3 090.46	0.00	-28 508.77	0.00	0.00	-31 599.23	265 405.16	163 100.00
Vacant land	3 133 808.38	3 253 111.07	0.00	1 237 186.95	0.00	0.00	7 624 106.40	-22.79	0.00	-252.67	0.00	0.00	-275.46	7 623 830.94	3 982 496.00
Valuation Roll	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1 525 000.00
Vehicles	2 256 005.83	1 472 965.54	0.00	2 814 718.94	0.00	0.00	6 543 690.31	-631 612.27	0.00	-470 568.54	0.00	0.00	-1 102 180.81	5 441 509.50	3 090 629.00
Watercraft/boats	5 050.00	0.00	0.00	0.00	0.00	0.00	5 050.00	-1 347.55	0.00	-336.65	0.00	0.00	-1 684.20	3 365.80	0.00
Compressors	56 586.70	0.00	0.00	0.00	0.00	0.00	56 586.70	-56 287.53	0.00	-299.17	0.00	0.00	-56 586.70	0.00	0.00
Compactor truck - refuse	709 738.74	0.00	0.00	893 989.24	0.00	-8 000.00	1 595 727.98	-682 309.43	0.00	-38 568.20	0.00	7 872.84	-713 004.79	882 723.19	893 990.00
Fire engines	342 689.47	0.00	0.00	2 133 815.96	0.00	0.00	2 476 505.43	-68 217.09	0.00	-17 426.60	0.00	0.00	-85 643.69	2 390 861.74	2 280 000.00
Graders	678 201.76	0.00	0.00	0.00	0.00	0.00	678 201.76	-624 994.40	0.00	-53 207.36	0.00	0.00	-678 201.76	0.00	0.00
Lawnmowers	75 020.32	0.00	0.00	0.00	0.00	-4 633.00	70 387.32	-67 380.58	0.00	-3 989.20	0.00	4 633.00	-66 736.78	3 650.54	0.00
Pound vehicles	21 748.30	0.00	0.00	0.00	0.00	0.00	21 748.30	-17 410.53	0.00	-4 337.77	0.00	0.00	-21 748.30	0.00	0.00
Trucks/bakkies	10 923 537.46	0.00	0.00	1 544 410.93	0.00	-242 890.47	12 225 057.92	-6 807 807.80	0.00	-1 287 711.98	0.00	227 777.89	-7 867 741.89	4 357 316.03	1 656 765.00
Tractors	189 820.00	0.00	0.00	0.00	0.00	0.00	189 820.00	-108 752.24	0.00	-11 799.90	0.00	0.00	-120 552.14	69 267.86	0.00
	54 821 198.58	7 054 101.43	0.00	16 786 850.79	0.00	-944 130.75	77 718 020.05	-26 128 284.81	491.78	-4 568 941.61	0.00	925 652.60	-29 772 065.60	47 945 954.45	31 083 333.00

APPENDIX B

GEORGE LOCAL MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2007

Category/Type	COST							ACCUMULATED DEPRECIATION							Budget Additions
	Opening Balance	Transfers WIP	Transfers Other	Additions	Write-offs	Disposals	Closing Balance	Opening Balance	Transfers	Additions	Write-offs	Disposals	Closing Balance	Carrying Value	
LEASED INFRASTRUCTURE															
Vehicles (Leases)	123 060.41	0.00	0.00	98 936.68	0.00	0.00	221 997.09	-64 465.70	0.00	-57 583.77	0.00	0.00	-122 049.47	99 947.62	0.00
Other (Leases)	0.00	0.00	0.00	476 649.32	0.00	0.00	476 649.32	0.00	0.00	-68 586.68	0.00	0.00	-68 586.68	408 062.64	0.00
	123 060.41	0.00	0.00	575 586.00	0.00	0.00	698 646.41	-64 465.70	0.00	-126 170.45	0.00	0.00	-190 636.15	508 010.26	0.00
HOUSING DEVELOPMENT FUND															
Unsold Units	2 499 664.45	0.00	0.00		-17 154.84	0.00	2 482 509.61	0.00	0.00		0.00		0.00	2 482 509.61	0.00
	2 499 664.45	0.00	0.00	0.00	-17 154.84	0.00	2 482 509.61	0.00	0.00	0.00	0.00	0.00	0.00	2 482 509.61	
SUB - TOTAL	543 831 658.62	46 676 540.49	0.00	144 660 758.24	-17 154.84	-944 130.75	734 207 671.76	-204 937 235.44	0.00	-30 705 014.28	0.00	925 652.60	-234 716 597.12	499 491 074.64	222 448 633.00
WORKS-IN-PROGRESS															
Buildings	399 645.94	-399 645.94	0.00	2 875 698.22	0.00	0.00	2 875 698.22	0.00	0.00	0.00	0.00	0.00	0.00	2 875 698.22	0.00
Care centres	0.00	0.00	0.00	488 079.65	0.00	0.00	488 079.65	0.00	0.00	0.00	0.00	0.00	0.00	488 079.65	0.00
Cemeteries	9 531.00	-9 531.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Computer hardware	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Electrical equipment	0.00	0.00	0.00	131 250.00	0.00	0.00	131 250.00	0.00	0.00	0.00	0.00	0.00	0.00	131 250.00	0.00
Fencing	34 970.00	-34 970.00	0.00	80 649.25	0.00	0.00	80 649.25	0.00	0.00	0.00	0.00	0.00	0.00	80 649.25	0.00
Floodlighting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Municipal buildings	249 624.35	-249 624.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Office Buildings	863 143.38	-863 143.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Paving	0.00	0.00	0.00	2 493 360.77	0.00	0.00	2 493 360.77	0.00	0.00	0.00	0.00	0.00	0.00	2 493 360.77	0.00
Pumps	0.00	0.00	0.00	4 370 373.61	0.00	0.00	4 370 373.61	0.00	0.00	0.00	0.00	0.00	0.00	4 370 373.61	0.00
Pump stations	16 340 025.28	-5 324 529.33	0.00	6 213 489.82	0.00	0.00	17 228 985.77	0.00	0.00	0.00	0.00	0.00	0.00	17 228 985.77	0.00
Purification works	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Recreation centres	1 868 712.35	-1 868 712.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other roads	28 149 271.91	-7 492 803.40	0.00	40 279 960.96	0.00	0.00	60 936 429.47	0.00	0.00	0.00	0.00	0.00	0.00	60 936 429.47	0.00
Sewers	17 945 438.37	-2 917 651.77	0.00	175 000.00	0.00	0.00	15 202 786.60	0.00	0.00	0.00	0.00	0.00	0.00	15 202 786.60	0.00
Sewerage pumps	0.00	0.00	0.00	120 571.85	0.00	0.00	120 571.85	0.00	0.00	0.00	0.00	0.00	0.00	120 571.85	0.00
Street lighting	0.00	0.00	0.00	258 849.61	0.00	0.00	258 849.61	0.00	0.00	0.00	0.00	0.00	0.00	258 849.61	0.00
Supply/reticulation	3 806 479.36	-3 806 479.36	0.00	529 041.90	0.00	0.00	529 041.90	0.00	0.00	0.00	0.00	0.00	0.00	529 041.90	0.00
Supply/reticulation	10 994 786.21	-10 994 786.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Swimming pools	6 087 206.28	-6 087 206.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tip Sites	251 828.50	-251 828.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Town planning	1 649 552.01	-1 649 552.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vacant land	3 253 111.07	-3 253 111.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Valuation Roll	0.00	0.00	0.00	1 515 102.06	0.00	0.00	1 515 102.06	0.00	0.00	0.00	0.00	0.00	0.00	1 515 102.06	0.00
Vehicles	1 472 965.54	-1 472 965.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	R 93 376 291.55	(R 46 676 540.49)	R 0.00	R 59 531 427.70	R 0.00	R 0.00	R 106 231 178.76	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 106 231 178.76	R 0.00
					0.00										
TOTAL	R 637 207 950.17	R 0.00	R 0.00	R 204 192 185.94	(R 17 154.84)	(R 944 130.75)	R 840 438 850.52	(R 204 937 235.44)	(R 0.00)	(R 30 705 014.28)	R 0.00	R 925 652.60	(R 234 716 597.12)	R 605 722 253.40	R 222 448 633.00

APPENDIX C

GEORGE LOCAL MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2007

	Cost						Accumulated Depreciation					Carrying Value
	Opening Balance	Additions	Under Construction	Write-offs	Disposals	Closing Balance	Opening Balance	Additions	Write-offs	Disposals	Closing Balance	
Finance & Admin	26 970 591.08	5 260 556.89	0.00	0.00	-877 112.26	31 354 035.71	-13 242 727.20	-2 534 900.78	0.00	858 634.11	-14 918 993.87	16 435 041.84
Planning & Development	3 130 514.26	9 383 592.88	1 515 102.06	0.00	0.00	14 029 209.20	-2 403 178.26	-89 442.06	0.00	0.00	-2 492 620.32	11 536 588.88
Health	2 793 752.16	999 999.73	0.00	0.00	0.00	3 793 751.89	-928 224.33	-92 944.75	0.00	0.00	-1 021 169.08	2 772 582.81
Community & Social Services	52 044 990.67	5 610 667.59	682 098.12	0.00	0.00	58 337 756.38	-10 035 445.88	-1 881 127.87	0.00	0.00	-11 916 573.75	46 421 182.63
Housing	17 144 572.96	3 550 009.78	488 079.65	-17 154.84	0.00	21 165 507.55	-1 283 988.53	-1 011 671.95	0.00	0.00	-2 295 660.48	18 869 847.07
Public Safety	7 178 724.98	3 918 905.19	0.00	0.00	-31 804.80	11 065 825.37	-1 743 319.21	-384 402.10	0.00	31 804.80	-2 095 916.51	8 969 908.86
Sport & Recreation	25 650 469.02	6 881 373.90	0.00	0.00	0.00	32 531 842.92	-4 562 805.04	-970 297.64	0.00	0.00	-5 533 102.68	26 998 740.24
Waste Management	239 587 278.80	50 672 686.58	50 300 712.22	0.00	-35 213.69	340 525 463.91	-79 287 356.76	-12 512 120.34	0.00	35 213.69	-91 764 263.41	248 761 200.50
Road Transport	9 379 987.29	136 174.08	0.00	0.00	0.00	9 516 161.37	-3 391 332.46	-681 281.55	0.00	0.00	-4 072 614.01	5 443 547.36
Water	107 980 687.05	36 666 326.33	6 414 185.65	0.00	0.00	151 061 199.03	-35 730 827.66	-4 166 048.16	0.00	0.00	-39 896 875.82	111 164 323.21
Electricity	145 346 381.90	21 580 465.29	131 250.00	0.00	0.00	167 058 097.19	-52 328 030.11	-6 380 777.08	0.00	0.00	-58 708 807.19	108 349 290.00
	R 637 207 950.17	R 144 660 758.24	R 59 531 427.70	(R 17 154.84)	(R 944 130.75)	R 840 438 850.52	(R 204 937 235.44)	(R 30 705 014.28)	R 0.00	R 925 652.60	(R 234 716 597.12)	R 605 722 253.40

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APPENDIX C (I)

GEORGE LOCAL MUNICIPALITY : SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2007

Service	Dept	Sub-Function	Department Description								Accumulated Depreciation						Carrying Value
				Opening Balance	Additions	Under Construction	Transfers	Write-offs	Disposals	Closing Balance	Opening Balance	Additions	Transfers	Write-offs	Disposals	Closing Balance	
			<u>RATES & GENERAL SERVICE</u>														
1	2	501	CEMETERY	639 586.40	0.00	0.00	0.00	0.00	0.00	639 586.40	-233 672.16	-137 201.50	0.00	0.00	0.00	-370 873.66	268 712.74
1	3	501	LIBRARY	780 181.24	87 219.06	0.00	0.00	0.00	0.00	867 400.30	-606 199.92	-36 552.18	0.00	0.00	0.00	-642 752.10	224 648.20
1	4	701	FIRE BRIGADE	2 284 365.30	2 322 882.52	0.00	0.00	0.00	0.00	4 607 247.82	-568 927.09	-34 793.34	0.00	0.00	0.00	-603 720.43	4 003 527.39
1	5	501	PUBLIC BUILDINGS	49 002 981.02	5 523 448.53	682 098.12	0.00	0.00	0.00	55 208 527.67	-8 634 118.68	-1 644 518.32	0.00	0.00	0.00	-10 278 637.00	44 929 890.67
1	6	1101	PROCLAIMED ROADS	7 943 096.14	0.00	0.00	0.00	0.00	0.00	7 943 096.14	-3 213 136.49	-645 759.20	0.00	0.00	0.00	-3 858 895.69	4 084 200.45
1	7	401	HEALTH	1 029 110.68	999 999.73	0.00	0.00	0.00	0.00	2 029 110.41	-336 421.14	-17 269.01	0.00	0.00	0.00	-353 690.15	1 675 420.26
1	8	201	LAND	2 305 456.99	0.00	0.00	0.00	0.00	0.00	2 305 456.99	0.00	0.00	0.00	0.00	0.00	0.00	2 305 456.99
1	9	501	THEMBALETHU HALL	74 118.00	0.00	0.00	0.00	0.00	0.00	74 118.00	-5 662.52	-3 354.20	0.00	0.00	0.00	-9 016.72	65 101.28
1	10	201	MACHINERY, EQUIPMENT AND TOOLS	19 578 615.02	4 684 970.88	0.00	0.00	0.00	-877 112.26	23 386 473.65	-11 730 690.88	-2 329 202.43	0.00	0.00	858 634.11	-13 201 259.20	10 185 214.45
1	10	201	MACHINERY, EQUIPMENT (LEASES)	123 060.41	575 586.00	0.00	0.00	0.00	0.00	698 646.41	-64 465.70	-126 170.45	0.00	0.00	0.00	-190 636.15	508 010.26
1	11	501	BRANCH LIBRARIES	1 548 124.01	0.00	0.00	0.00	0.00	0.00	1 548 124.01	-555 792.60	-59 501.67	0.00	0.00	0.00	-615 294.27	932 829.74
1	12	801	RECREATIONAL FACILITIES/SPORT	20 948 423.39	5 749 418.88	0.00	0.00	0.00	0.00	26 697 842.27	-3 978 651.17	-769 611.97	0.00	0.00	0.00	-4 748 263.14	21 949 579.13
1	13	801	PARKS AND GARDENS	3 132 014.54	1 097 855.02	0.00	0.00	0.00	0.00	4 229 869.56	-399 925.37	-147 768.49	0.00	0.00	0.00	-547 693.86	3 682 175.70
1	14	1401	VEHICLE REGISTRATION	890 141.75	136 174.08	0.00	0.00	0.00	0.00	1 026 315.83	-598.14	-8 011.78	0.00	0.00	0.00	-8 610.92	1 017 704.91
1	16	301	TOWN PLANNING	1 534 943.92	9 209 371.88	0.00	0.00	0.00	0.00	10 744 315.80	-1 427 400.38	-74 444.39	0.00	0.00	0.00	-1 501 844.77	9 242 471.03
1	17	301	TOWN ENGINEER : ADMINISTRATION	518 258.19	0.00	0.00	0.00	0.00	0.00	518 258.19	-146 369.45	-2 241.73	0.00	0.00	0.00	-148 611.18	369 647.01
1	19	301	TOWN TREASURER : ADMINISTRATION	1 077 312.15	174 221.00	1 515 102.06	0.00	0.00	0.00	2 766 635.21	-829 408.43	-12 755.94	0.00	0.00	0.00	-842 164.37	1 924 470.84
1	22	1001	STREETS AND STORM WATER	136 792 633.45	36 010 171.51	43 032 171.34	0.00	0.00	0.00	215 834 976.30	-42 941 356.95	-8 520 955.14	0.00	0.00	0.00	-51 462 312.09	164 372 664.21
1	23	201	PROPERTIES (LEASES)	2 745 671.95	0.00	0.00	0.00	0.00	0.00	2 745 671.95	-84 578.98	-5 766.65	0.00	0.00	0.00	-90 345.63	2 655 326.32
1	24	701	LAW ENFORCEMENT	4 894 359.68	1 596 022.67	0.00	0.00	0.00	-31 804.80	6 458 577.55	-1 174 392.12	-349 608.76	0.00	0.00	31 804.80	-1 492 196.08	4 966 381.47
1	27	201	MECHANICAL WORKSHOP	239 490.06	0.00	0.00	0.00	0.00	0.00	239 490.06	-147 428.78	-6 983.59	0.00	0.00	0.00	-154 412.37	85 077.69
1	28	201	WORKSHOP : FITTER AND TURNER	149 305.63	0.00	0.00	0.00	0.00	0.00	149 305.63	-148 646.46	-60.01	0.00	0.00	0.00	-148 706.47	599.16
1	29	201	DIRECTOR ADMINISTRATION	334 982.71	0.00	0.00	0.00	0.00	0.00	334 982.71	-298 287.81	-10 683.69	0.00	0.00	0.00	-308 971.50	26 011.21
1	30	201	PERSONNEL SERVICES	29 198.00	0.00	0.00	0.00	0.00	0.00	29 198.00	-12 524.81	-4 171.09	0.00	0.00	0.00	-16 695.90	12 502.10
1	31	201	PUBLIC RELATIONS	88 739.02	0.00	0.00	0.00	0.00	0.00	88 739.02	-40 859.04	-9 434.36	0.00	0.00	0.00	-50 293.40	38 445.62
1	32	401	PERSONAL HEALTH : CLINICS	1 764 641.48	0.00	0.00	0.00	0.00	0.00	1 764 641.48	-591 803.19	-75 675.74	0.00	0.00	0.00	-667 478.93	1 097 162.55
1	33	1101	VEHICLE TESTING GROUND	546 749.40	0.00	0.00	0.00	0.00	0.00	546 749.40	-177 596.83	-27 510.57	0.00	0.00	0.00	-205 107.40	341 642.00
1	34	201	COMPUTER NETWORK	739 171.82	0.00	0.00	0.00	0.00	0.00	739 171.82	-633 536.04	-22 687.13	0.00	0.00	0.00	-656 223.17	82 946.65
1	35	201	SWITCHBOARD	107 316.05	0.00	0.00	0.00	0.00	0.00	107 316.05	-75 811.90	-15 773.46	0.00	0.00	0.00	-91 585.36	15 730.69
1	37	801	BEACH AREAS	1 295 516.02	34 100.00	0.00	0.00	0.00	0.00	1 329 616.02	-114 641.04	-43 393.98	0.00	0.00	0.00	-158 035.02	1 171 581.00
1	38	801	CAMPING SITES	274 515.07	0.00	0.00	0.00	0.00	0.00	274 515.07	-69 587.46	-9 523.20	0.00	0.00	0.00	-79 110.66	195 404.41
1	39	201	HAWKER CONTROL	529 583.42	0.00	0.00	0.00	0.00	0.00	529 583.42	-5 894.80	-3 967.92	0.00	0.00	0.00	-9 862.72	519 720.70
				263 941 662.91	68 201 441.77	45 229 371.52	0.00	0.00	-908 917.06	376 463 559.14	-79 248 389.33	-15 155 351.89	0.00	0.00	890 438.91	-93 513 302.31	282 950 256.83

APPENDIX C (I)

GEORGE LOCAL MUNICIPALITY : SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2007

											Accumulated Depreciation						
Service	Dept	Sub- Function	Department Description	Opening Balance	Additions	Under Construction	Transfers	Write-offs	Disposals	Closing Balance	Opening Balance	Additions	Transfers	Write-offs	Disposals	Closing Balance	Carrying Value
2	1	1301	<u>ELECTRICITY SERVICE</u>														
		1301	ELECTRICITY - DISTRIBUTION	145 346 381.90	21 580 465.29	131 250.00	0.00	0.00	0.00	167 058 097.19	-52 328 030.11	-6 380 777.08	0.00	0.00	0.00	-58 708 807.19	108 349 290.00
				145 346 381.90	21 580 465.29	131 250.00	0.00	0.00	0.00	167 058 097.19	-52 328 030.11	-6 380 777.08	0.00	0.00	0.00	-58 708 807.19	108 349 290.00
3	1	1201	<u>WATER SERVICE</u>														
		1201	WATER - NETWORKS	56 253 976.63	26 241 462.31	0.00	0.00	0.00	0.00	82 495 438.94	-13 101 492.73	-2 355 401.06	0.00	0.00	0.00	-15 456 893.79	67 038 545.15
				56 253 976.63	26 241 462.31	0.00	0.00	0.00	0.00	82 495 438.94	-13 101 492.73	-2 355 401.06	0.00	0.00	0.00	-15 456 893.79	67 038 545.15
3	3	1201	WATER-PURIFICATION	51 726 710.42	10 424 864.02	6 414 185.65	0.00	0.00	0.00	68 565 760.09	-22 629 334.93	-1 810 647.10	0.00	0.00	0.00	-24 439 982.03	44 125 778.06
				51 726 710.42	10 424 864.02	6 414 185.65	0.00	0.00	0.00	68 565 760.09	-22 629 334.93	-1 810 647.10	0.00	0.00	0.00	-24 439 982.03	44 125 778.06
				107 980 687.05	36 666 326.33	6 414 185.65	0.00	0.00	0.00	151 061 199.03	-35 730 827.66	-4 166 048.16	0.00	0.00	0.00	-39 896 875.82	111 164 323.21
4	1	1001	<u>SEWERAGE SERVICE</u>														
		1001	SEWERAGE NETWORKS	59 641 021.18	13 511 164.43	448 917.92	0.00	0.00	0.00	73 601 103.53	-21 884 624.61	-2 197 976.13	0.00	0.00	0.00	-24 082 600.74	49 518 502.79
				59 641 021.18	13 511 164.43	448 917.92	0.00	0.00	0.00	73 601 103.53	-21 884 624.61	-2 197 976.13	0.00	0.00	0.00	-24 082 600.74	49 518 502.79
4	2	1001	SEWERAGE TREATMENT WORKS	33 324 297.28	1 151 350.64	6 819 622.96	0.00	0.00	0.00	41 295 270.88	-13 478 101.70	-1 402 785.72	0.00	0.00	0.00	-14 880 887.42	26 414 383.46
				33 324 297.28	1 151 350.64	6 819 622.96	0.00	0.00	0.00	41 295 270.88	-13 478 101.70	-1 402 785.72	0.00	0.00	0.00	-14 880 887.42	26 414 383.46
				92 965 318.46	14 662 515.07	7 268 540.88	0.00	0.00	0.00	114 896 374.41	-35 362 726.31	-3 600 761.85	0.00	0.00	0.00	-38 963 488.16	75 932 886.25
5	1	601	<u>HOUSING SERVICE</u>														
		601	HOUSING - ADMINISTRATION	14 365 749.71	3 550 009.78	488 079.65	0.00	0.00	0.00	18 403 839.14	-1 060 508.68	-1 002 366.75	0.00	0.00	0.00	-2 062 875.43	16 340 963.71
				14 365 749.71	3 550 009.78	488 079.65	0.00	0.00	0.00	18 403 839.14	-1 060 508.68	-1 002 366.75	0.00	0.00	0.00	-2 062 875.43	16 340 963.71
5	2	601	RENTAL SCHEMES	279 158.80	0.00	0.00	0.00	0.00	0.00	279 158.80	-223 479.85	-9 305.20	0.00	0.00	0.00	-232 785.05	46 373.75
				279 158.80	0.00	0.00	0.00	0.00	0.00	279 158.80	-223 479.85	-9 305.20	0.00	0.00	0.00	-232 785.05	46 373.75
				2 499 664.45	0.00	0.00	0.00	-17 154.84	0.00	2 482 509.61	0.00	0.00	0.00	0.00	0.00	0.00	2 482 509.61
5	2	601	UNSOLD UNITS														
				17 144 572.96	3 550 009.78	488 079.65	0.00	-17 154.84	0.00	21 365 507.55	-1 283 988.53	-1 011 671.95	0.00	0.00	0.00	-2 295 660.48	18 869 847.07
				17 144 572.96	3 550 009.78	488 079.65	0.00	-17 154.84	0.00	21 365 507.55	-1 283 988.53	-1 011 671.95	0.00	0.00	0.00	-2 295 660.48	18 869 847.07
7	1	1001	<u>REFUSE SERVICE</u>														
		1001	REFUSE	9 829 326.89	0.00	0.00	0.00	0.00	-35 213.69	9 794 113.20	-983 273.50	-390 403.35	0.00	0.00	35 213.69	-1 338 463.16	8 455 650.04
				9 829 326.89	0.00	0.00	0.00	0.00	-35 213.69	9 794 113.20	-983 273.50	-390 403.35	0.00	0.00	35 213.69	-1 338 463.16	8 455 650.04
				637 207 950.17	144 660 758.24	59 531 427.70	0.00	-17 154.84	-944 130.75	840 438 850.52	-204 937 235.44	-30 705 014.28	0.00	0.00	925 652.60	-234 716 597.12	605 722 253.40

APPENDIX DGEORGE LOCAL MUNICIPALITY : SEGMENTAL STATEMENT OF FINANCIALPERFORMANCE FOR THE YEAR ENDED 30 JUNE 2007

2006 Actual Income R	2006 Actual Expenditure R	2006 Surplus/ (Deficit) R		2007 Actual Income R	2007 Actual Expenditure R	2007 Surplus/ (Deficit) R
81 851	17 484 778	-17 402 926	Executive & Council	401 497	22 717 179	-22 315 682
151 699 672	116 008 329	35 691 343	Finance and Admin	177 446 917	131 821 581	45 625 336
11 457 117	19 636 243	-8 179 125	Planning & Development	11 601 705	25 648 164	-14 046 459
11 940 926	16 221 944	-4 281 018	Health Clinics	8 305 390	13 959 621	-5 654 231
942 465	9 528 095	-8 585 630	Community and Social Services	2 465 988	11 689 140	-9 223 152
12 631 534	13 388 144	-756 610	Housing	25 700 619	35 455 903	-9 755 285
9 458 063	21 632 687	-12 174 623	Public Safety	6 274 020	25 263 407	-18 989 387
1 481 036	9 962 589	-8 481 553	Sport & Recreation	701 334	12 761 454	-12 060 120
0	0	0	Environmental Protection	963	724 566	-723 603
68 307 232	84 429 790	-16 122 558	Waste Management	102 119 240	96 215 445	5 903 794
8 687 851	5 626 991	3 060 860	Road Transport	8 437 464	7 537 830	899 634
65 486 837	49 564 169	15 922 668	Water	74 261 448	46 161 648	28 099 801
160 777 388	124 886 115	35 891 273	Electricity Distribution	173 561 967	136 647 145	36 914 822
1 152 438	1 786 205	-633 767	Forestry	535 044	964 689	-429 645
R 504 104 412	R 490 156 078	R 13 948 334	Sub Total	R 591 813 595	R 567 567 772	R 24 245 823
R 0	(R 69 420 835)	R 69 420 835	Less: Amounts charged out	R 0	(R 76 309 017)	R 76 309 017
R 504 104 412	420 735 244	R 83 369 169	Total	R 591 813 595	491 258 755	R 100 554 840
		0	Add: Share of Associate			0
		R 83 369 169				R 100 554 840

<u>APPENDIX D(1)</u> <u>GEORGE LOCAL MUNICIPALITY</u> <u>ANALYSIS OF OPERATING INCOME AND EXPENDITURE</u> <u>FOR THE YEAR ENDED 30 JUNE 2007</u>				
Actual 2005/2006	Budget 2005/2006		Actual 2006/2007	Amended Budget 2006/2007
INCOME				
57 969 885	38 306 132	Government and Provincial Grants / Subsidies	110 672 424	63 423 822
446 134 527	404 100 229	Income from tariffs, service charges, etc.	481 141 171	466 409 160
<u>R 504 104 412</u>	<u>R 442 406 361</u>		<u>R 591 813 595</u>	<u>R 529 832 982</u>
EXPENDITURE				
114 106 830	125 769 223	Salaries and allowances	139 998 070	150 683 845
* 312 490 132	299 238 109	General expenses	* 355 851 263	372 383 498
50 394 106	51 319 156	Repairs and maintenance	55 062 238	57 649 100
8 903 161	18 608 000	Capital charges	14 398 011	21 881 087
3 241 849	3 046 892	Contributions to capital outlay	2 258 190	2 706 900
1 020 000	13 569 276	Contributions to funds and reserves	0	1 053 834
<u>R 490 156 078</u>	<u>R 511 550 656</u>	Gross Expenditure	<u>R 567 567 772</u>	<u>R 606 358 264</u>
-69 420 835	-72 831 004	Add: Amounts charged out	-76 309 017	-76 701 580
<u>R 420 735 243</u>	<u>R 438 719 652</u>	Nett Expenditure	<u>R 491 258 755</u>	<u>R 529 656 684</u>
<u>R 83 369 169</u>	<u>R 3 686 709</u>	Surplus (Deficit)	<u>R 100 554 840</u>	<u>R 176 298</u>
* R 70 429 849	R 70 000 000	Bulk purchase of electricity included in general expenses.	R 80 813 538	
* R 25 523 887	R 23 360 500	Depreciation is included in general expenses.	R 31 450 287	

APPENDIX D (2)

GEORGE LOCAL MUNICIPALITY : DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

2005/06 Actual Income	2005/06 Actual Expenditure	2005/06 Surplus/ (Deficit)		2006/07 Actual Income	2006/07 Actual Expenditure	2006/07 Surplus/ (Deficit)	2006/07 Budget Surplus/ (Deficit)
-200 150 601	196 778 307	-3 372 294	RATES AND GENERAL SERVICE	-251 586 196	246 093 987	-5 492 209	45 916 028
-190 062 635	176 017 043	-14 045 592	Community Services	-240 144 938	218 169 988	-21 974 950	26 832 650
-96 911 332	28 347 490	-68 563 842	Assessment Rates	-108 885 314	28 804 813	-79 880 701	-75 583 000
-162 049	2 709 146	2 547 097	Administration	-17 742	8 607 172	8 649 430	9 471 714
0	4 173	4 173	Policy	0	1 417	1 417	64 000
-48 627	419 281	370 653	IDP / GOP	0	703 734	703 734	1 041 732
-5 884	842 022	836 138	Client Services	-10 307	712 714	702 407	1 286 203
0	484 773	484 773	Legal Services	0	635 197	635 197	705 143
-2 199 000	2 655 797	456 797	Proclaimed Roads	-753 000	3 627 465	2 874 465	29 999
0	590 447	590 447	Commonage and Sidings	0	672 467	672 467	669 568
-5 078	411 961	0	Health Services:	0	0	0	0
-339 939	339 939	0	Environmental Health	-863	724 566	723 603	716 421
-356 246	356 246	0	Personal Health: Blanco	-522 481	522 481	0	0
0	0	0	Personal Health: Rosemoor	-346 680	346 680	0	0
-334 368	334 368	0	Personal Health: Conville	0	0	0	0
-200 767	200 767	0	Personal Health: Lawaakamp	-490 009	490 009	0	0
-549 110	549 110	0	Personal Health: Parkdene	-63 685	63 685	0	0
0	0	0	Personal Health: Thembaletlu	-1 007 858	1 007 858	0	0
-700 581	700 581	0	Personal Health: Pacaltsdorp	0	0	0	0
-439 019	439 019	0	Personal Health: Centre	-934 423	934 423	0	-46 431
-4 355 312	4 355 312	0	Pacaltsdorp Community Health Centre	-1 125 968	1 125 968	0	0
-4 120 490	6 556 243	2 435 753	Conville Community Health Centre	-3 268 639	3 268 639	0	0
-340 016	821 431	481 414	Health Services: Admin	-527 125	3 146 360	2 619 235	3 587 564
0	956 968	956 968	HIV Projects	-990	698 957	697 967	645 589
-57 967	6 957 822	6 799 822	Social Services	-17 532	2 193 261	2 175 729	2 992 147
-1 393 805	6 213 252	4 819 447	Parks and Gardens	-2 593	7 327 481	7 324 888	7 436 375
-3 249 180	30 706 569	27 457 389	Human Resource Management	-1 514 684	2 218 336	703 652	85 832
0	0	0	Public Works: Storm water & Streets	-35 415 875	49 762 983	14 347 108	40 684 169
-653 509	6 315 988	5 662 489	Internal Audit	0	0	0	540 000
-13 204	1 802 253	1 789 049	Town Treasurer: Administration	-2 108 076	4 134 925	2 026 849	4 608 538
0	111 428	0	Financial Operations Income	-104 459	6 035 726	5 931 317	7 154 232
-343 203	793 371	450 168	Financial Operations Valuation	0	405 362	405 362	712 550
-21 905 415	5 746 025	-16 159 391	Supply Chain Management	-302 032	302 989	302 989	1 103 566
-22 184	-1 064 690	-1 087 073	Financial Management Expenditure	-390 846	1 434 364	1 132 332	1 129 138
-21 500 346	25 485 377	3 985 029	Treasury : Salaries	0	0	0	20 005
-199 143	959 784	760 641	Financial : Budget Office	-119 850	801 004	801 004	1 500 263
0	0	0	Financial : Statements	0	1 189 863	1 189 863	1 287 337
-11 092 200	6 602 682	-4 489 519	Finance Administration	-27 083 346	6 381 579	-20 701 767	-22 527 601
-276 469	833 836	557 367	Town Treasurer: Stores	-19 088	73 262	-92 338	-99 667
0	4 646 675	4 646 675	Town Treasurer: Collections	-31 524 039	25 163 572	-6 340 467	4 585 976
-39 821	627 456	587 635	Publicity	-3 772	1 281 380	1 277 608	1 295 000
-81 851	3 385 795	3 303 945	Switch Board	-199 494	1 441 386	1 241 892	227 567
-1 195	2 115 303	2 114 108	Office of the Executive Mayor	0	0	0	38
-7 807 500	1 808 103	-5 999 397	Office of the Municipal Manager	0	0	0	0
-191 455	175 007	-16 447	Planning	-9 086 612	7 212 247	-1 874 365	-8 327
-9 368 733	15 696 246	6 327 512	Economic development	0	2 830 364	2 830 364	3 156 026
-12 136	1 376 932	1 364 796	Dept. of Planning	-16 175	5 712 034	5 695 859	5 585 476
-5 689	184 335	-189 923	Town Engineer: Admin	-2 498 919	7 859 285	5 360 366	4 190 218
-579 910	792 605	212 695	Council: General Expenses	-401 497	4 138 623	3 737 126	7 065 901
0	0	0	Councillor's	0	0	0	20 000
0	0	0	Computers : Network	-9 079	1 542 292	1 533 213	-370 875
-7 807 500	1 808 103	-5 999 397	Computers : Main Frame	0	813 962	813 962	412 419
-191 455	175 007	-16 447	Properties	-4 800 204	2 784 447	-2 015 757	21 018
-9 368 733	15 696 246	6 327 512	Hawker's Control	0	144 640	-30 581	0
-12 136	1 376 932	1 364 796	Traffic Services:	0	0	0	0
-5 689	184 335	-189 923	- Law enforcement	-6 216 999	17 239 796	11 022 797	9 113 993
-579 910	792 605	212 695	Safety & Security	0	2 242 321	2 242 321	2 373 171
0	0	0	Workshops: Stores	0	4 342	4 342	56
0	0	0	Fleet Management	-499 282	-920 565	-1 419 847	-979 831
0	0	0	Community services	0	0	0	0
-3 599 115	17 790 069	14 190 955	Subsidised Services	-3 756 794	24 013 634	20 256 840	22 091 194
-329 426	749 267	419 842	Cemetery	-240 504	913 859	673 355	610 889
-150 103	2 403 826	2 253 723	Libraries: Caledon Street	-163 414	2 594 858	2 431 444	2 381 785
-28 120	1 505 299	1 477 179	Branch Libraries	-45 221	1 742 079	1 696 858	1 946 620
-1 152 438	1 786 205	633 767	Forestry	-535 044	644 689	429 645	644 000
-77 194	4 269 109	4 191 915	Fire Brigade	-57 021	5 470 989	5 413 968	5 108 589
-159 198	2 371 343	2 212 145	Civic Hall	-1 896 045	5 286 807	3 370 762	4 356 359
-41 074	303 290	262 216	Pacaltsdorp Hall	-26 178	264 637	238 459	273 508
-27 857	440 227	412 340	Conville Hall	-38 931	389 985	351 054	427 333
-18 286	76 729	58 443	Blanco Hall	-23 102	127 600	104 498	90 599
-34 707	256 785	222 078	Thembaletlu Hall	-23 097	283 801	260 704	279 685
-12 554	81 117	68 563	Touwsantien Hall	-9 496	105 514	96 018	94 194
-141 112	141 112	0	Literacy Programme	0	0	0	0
-296 378	141 665	-154 714	Camping Sites: Herolds Bay	-330 276	215 495	-114 781	-141 289
-225 491	267 238	41 747	Herolds Bay Beach	-252 550	178 157	-74 393	-26 426
-3 948	326 477	322 529	Maintenance	0	512 837	512 837	449 335
0	0	0	Swimming Pool	0	290 737	290 737	50 000
-901 200	2 670 380	1 769 180	Recreational Facilities/ Sport	-115 915	4 691 590	4 575 675	5 538 053
-6 488 851	2 971 194	-3 517 657	Economic Services	-7 684 464	3 910 365	-3 774 099	-3 007 816
-4 715 720	1 600 196	-3 115 524	Vehicle Registration	-5 873 336	1 999 731	-3 873 605	-3 223 200
-1 474 431	873 019	-601 411	Driver's license	-1 569 733	1 205 951	-363 782	-217 155
-298 700	497 978	199 278	Vehicle Testing Ground	-241 385	704 683	463 298	432 519
-12 631 534	13 388 144	756 610	Housing Services	-25 700 619	35 455 903	9 755 284	6 379 804
-5 493 363	1 643 058	-3 850 305	Housing	-7 772 857	10 859 831	3 086 974	-166
-7 138 171	11 745 085	4 606 914	Housing Administration	-17 927 762	24 596 072	6 668 310	6 379 970
-291 322 277	210 568 793	-80 753 484	Trading Services	-314 526 780	209 708 865	-104 817 915	-52 472 130
-2 874	9 040 141	9 037 266	Electricity: Administration	-613 090	11 751 034	11 137 944	11 296 699
-160 774 513	110 880 236	-49 894 277	Electricity: Distribution	-172 948 877	119 774 807	-53 174 070	-42 594 353
-9 527 039	15 190 616	5 663 577	Water: Purification	-13 443 174	16 706 477	3 263 303	17 190 178
-55 360 836	18 711 263	-36 649 573	Water: Distribution	-59 495 164	13 002 259	-46 492 905	-31 210 417
-39 860 423	18 945 591	-20 914 832	Sewerage: Main lines & P/stations	-42 414 194	13 486 396	-28 927 798	-20 257 157
-598 962	10 840 205	10 241 244	Water Pollution Control	-1 323 111	11 190 398	9 867 287	12 828 615
-11 904	0	0	Cleansing Services:	0	0	0	0
-4 225	1 847 274	1 835 370	Street Cleansing	-921	2 552 206	2 551 285	2 380 870
-8 065	736 196	731 971	Public Toilets	0	968 245	968 245	874 471
-25 173 020	18 613 090	-6 559 930	Sewerage Removals	0	822 219	822 219	863 563
-396	5 044 651	5 044 256	Refuse Removal	-23 268 249	14 850 957	-8 417 292	-7 370 639
-504 104 412	420 735 243	-83 369 169	Refuse Site	-1 020 000	4 603 867	3 583 867	3 526 040
			Total	-591 813 595	491 258 755	-100 554 840	-176 298
		83 369 169				100 554 840	
		-43 710 072	Appropriations for this year			-96 365 168	
		37 985 687	(Transfer to CRR)			60 983 943	
		-18 492 277	Property, plant and equipment purchased (CRR)			-46 855 095	
		-3 843 833	Capital grants used to purchase PPE			3 086 801	
		17 641 483	Transfer to Housing Development Fund			17 698 970	
		-1 360 686	Implementation GAMAPIGRAP			0	
		156 822 183	Offsetting of depreciation			228 913 342	
		R 228 411 654	Adjustments iro previous years			0	
			Retained Surplus / (Accumulated Deficit)			0	
			beginning of year			0	
			Accumulated surplus/ (deficit)			0	
			end of the year			0	

APPENDIX D (3)

GEORGE LOCAL MUNICIPALITY : INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

2005/2006	2005/2006	2005/2006		2006/2007	2006/2007	2006/2007	2006/2007
Actual Income R	Actual Expenditure R	Surplus / (Deficit) R		Actual Income R	Actual Expenditure R	Surplus / (Deficit) R	Budget Surplus / (Deficit) R
(R 200 150 601)	R 196 778 307	(R 3 372 295)	RATES AND GENERAL SERVICES	(R 251 586 196)	R 246 093 988	(R 5 492 208)	R 45 916 028
-190 062 635	176 017 044	-14 045 592	Community Services	-240 144 940	218 169 989	-21 974 951	26 832 650
-3 599 115	17 790 069	14 190 955	Subsidised Services	-3 756 792	24 013 634	20 256 842	22 091 194
-6 488 851	2 971 194	-3 517 657	Economic Services	-7 684 464	3 910 365	-3 774 099	-3 007 816
-12 631 534	13 388 144	756 610	HOUSING SERVICE	-25 700 619	35 455 903	9 755 284	6 379 804
-291 322 277	210 568 793	-80 753 484	TRADING SERVICES	-314 526 780	209 708 864	-104 817 916	-52 472 130
(R 504 104 412)	R 420 735 244	(R 83 369 169)	TOTAL	(R 591 813 595)	R 491 258 755	(R 100 554 840)	(R 176 298)
		83 369 169	Nett Surplus / (Deficit) for year			100 554 840	
		-43 710 072	Appropriations for this year:			-96 365 168	
		37 985 687	Transfer to CRR			60 983 943	
		-18 492 277	Property, plant and equipment purchased (CRR)			-46 855 095	
		-3 843 833	Capital grants used to purchase PPE			3 086 801	
		0	Transfer to Housing Development Fund			17 698 970	
		17 641 483	Implementation GAMAP/GRAP			228 913 342	
		-1 360 686	Offsetting of depreciation				
		156 822 183	Adjustments iro previous years				
			Retained Surplus/(Accumulated Deficit)				
			beginning of year				
		R 228 411 654	RETAINED SURPLUS / (ACCUMULATED DEFICIT) END OF YEAR			R 268 017 633	

APPENDIX D(4)

GEORGE LOCAL MUNICIPALITY : SUMMARY OF INCOME/EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2007

	SALARIES ALLOWANCES	GENERAL EXPENSES	MAINTENANCE	CAPITAL CHARGES	CONTRIBUTION TO CAPITAL OUTLAY	CONTRIBUTION TO FUNDS AND RESERVES	GROSS EXPENDITURE	ADMINISTRATION RECOVERABLES	NETT EXPENDITURE	INCOME	NETT (SURPLUS)/DEFICIT	APPROPRIATIONS
RATES AND GENERAL SERVICE: 01												
ADMINISTRATION	4 638 621	4 927 900	243 076	0	34 274	0	9 843 871	-1 176 700	8 667 171	-17 742	8 649 429	-10 683
POLICY	0	44	0	0	1 372	0	1 416	0	1 416	0	1 416	0
IDP	496 829	206 045	0	0	858	0	703 732	0	703 732	0	703 732	0
CLIENT SERVICES	569 475	126 004	0	0	17 233	0	712 712	0	712 712	-10 307	702 405	0
LEGAL SERVICES	522 928	103 535	0	0	8 732	0	635 195	0	635 195	0	635 195	0
AMBULANCE							0		0		0	
CEMETERY	543 636	272 223	97 999	0	0	0	913 858	0	913 858	-240 503	673 355	-47 336
RATES	0	28 804 612	0	0	0	0	28 804 612	0	28 804 612	-108 685 313	-79 880 701	4 203 139
FORESTRY	0	944 513	20 175	0	0	0	964 688	0	964 688	-535 043	429 645	0
FIRE BRIGADE	3 818 030	1 678 756	100 041	137 260	47 200	0	5 781 287	-310 300	5 470 987	-57 020	5 413 967	-249 581
PACALTSORDOP HALL	140 405	81 960	23 312	0	18 958	0	264 635	0	264 635	-26 177	238 458	0
CIVIC CENTRE	1 374 086	1 050 279	416 415	2 391 673	34 353	0	5 266 806	0	5 266 806	-1 896 045	3 370 761	0
BLANCO HALL	94 582	16 196	2 946	0	13 874	0	127 598	0	127 598	-23 102	104 496	0
CONVILLE HALL	215 295	110 523	30 864	0	33 301	0	389 983	0	389 983	-38 930	351 053	0
LITERACY PROGRAMME	0	0	0	0	0	0	0	0	0	0	0	0
PROCLAIMED ROADS	0	2 792 409	835 055	0	0	0	3 627 464	0	3 627 464	-753 000	2 874 464	-645 759
THEMBALETHU HALL	149 552	67 179	47 591	0	19 477	0	283 799	0	283 799	-23 096	260 703	-1 152
TOUWSRANTEN HALL	82 759	13 048	2 442	0	7 263	0	105 512	0	105 512	-9 496	96 016	0
COLLECTIONS	1 017 181	24 165 437	0	0	953	0	25 183 571	0	25 183 571	-31 524 038	-6 340 467	0
HEROLDSBAY: BEACH	1 329	97 282	79 545	0	0	0	178 156	0	178 156	-252 549	-74 393	-75 393
CAMPING SITES: HEROLDSBAY	82 788	141 837	48 862	0	0	0	273 487	-57 992	215 495	-330 275	-114 780	-9 523
MAINTENANCE	464 811	83 928	0	0	99	0	548 838	-36 002	512 836	0	512 836	0
STORES	763 536	491 687	15 202	0	2 083	0	1 272 508	-1 345 771	-73 263	-19 068	-92 331	0
COMMONAGE AND SIDINGS	440 494	99 871	129 357	0	2 743	0	672 465	0	672 465	0	672 465	0
SWIMMING POOL	0	277 822	12 646	0	267	0	290 735	0	290 735	0	290 735	0
RECREATIONAL FACILITIES/SPORT	565 723	1 940 039	1 168 109	987 497	30 220	0	4 691 588	0	4 691 588	-115 914	4 575 674	-1 471 854
HIV PROJECTS							0		0		0	
ENVIRONMENTAL HEALTH	372 740	345 228	2 785	0	3 811	0	724 564	0	724 564	-962	723 602	-15 386
PARKS	2 439 187	4 199 599	534 603	154 090	0	0	7 327 479	0	7 327 479	-2 593	7 324 886	-279 357
HUMAN RESOURCE	3 670 314	6 870 382	7 818	0	102 707	0	10 651 221	-8 432 887	2 218 334	-1 514 683	703 651	-4 171
COUNCIL: GENERAL EXPENSES	3 057 054	8 447 326	0	0	24 867	0	11 529 247	-7 390 625	4 138 622	-401 497	3 737 125	0
COUNCILLORS	8 390 558	648 125	0	0	29 295	0	9 067 978	-9 067 979	-1	0	-1	0
COMPUTES: NETWORK	46 919	2 165 889	-48 321	27 157	131 947	0	2 323 591	-781 300	1 542 291	-9 078	1 533 213	-22 687
COMPUTER: MAINFRAME	697 441	674 844	851 276	0	0	0	2 223 561	-1 409 600	813 961	0	813 961	0
ADVERTISING	0	1 276 330	5 050	0	0	0	1 281 380	0	1 281 380	-3 771	1 277 609	-9 434
OFFICE OF THE EXEC. MAYOR	295 114	338 755	16 480	0	37 533	0	687 882	-687 884	-2	0	-2	0
SWITCHBOARD	268 433	1 956 926	84 505	0	89	0	2 309 953	-868 568	1 441 385	-199 493	1 241 892	-15 773
PLANNING	4 668 512	2 338 494	27 492	0	177 747	0	7 212 245	0	7 212 245	-9 086 611	-1 874 366	-9 282 974
TOWN ENGINEER: ADMIN	4 678 770	4 384 256	77 667	0	49 089	0	9 189 782	-1 330 500	7 859 282	-2 498 919	5 360 363	-2 241
INTERNAL AUDIT	0	3 090 045	0	0	0	0	3 090 045	-3 090 045	0	0	0	0
OFFICE OF THE MUN. MANAGER	1 164 607	157 777	1 505	0	108 177	0	1 432 066	-1 432 067	-1	0	-1	0
FINANCIAL: INCOME	5 755 979	255 031	1 379	0	23 335	0	6 035 724	0	6 035 724	-104 409	5 931 315	0
FINANCIAL: VALUATIONS	377 185	28 176	0	0	0	0	405 361	0	405 361	0	405 361	0
TREASURY	1 559 885	8 846 373	22 774	115 250	10 641	0	10 554 923	-6 420 000	4 134 923	-2 108 076	2 026 847	8 301 971
TREASURY: EXPENDITURE	1 371 934	56 650	81	0	5 697	0	1 434 362	0	1 434 362	-302 032	1 132 330	0
SUPPLY CHAIN MANAGEMENT	250 352	13 510	0	39 125	0	0	302 987	0	302 987	0	302 987	0
FINANCIAL: REMUNERATION	737 010	70 094	0	0	7 844	0	814 948	-814 948	0	0	0	0
FINANCIAL: BUDGET OFFICE	521 513	653 687	0	0	16 649	0	1 191 849	0	1 191 849	-390 846	801 003	0
FINANCIAL: STATEMENTS	1 055 586	126 995	0	0	7 281	0	1 189 862	0	1 189 862	0	1 189 862	0

APPENDIX D(4)

GEORGE LOCAL MUNICIPALITY : SUMMARY OF INCOME/EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2007

	SALARIES ALLOWANCES	GENERAL EXPENSES	MAINTENANCE	CAPITAL CHARGES	CONTRIBUTION TO CAPITAL OUTLAY	CONTRIBUTION TO FUNDS AND RESERVES	GROSS EXPENDITURE	ADMINISTRATION RECOVERABLES	NETT EXPENDITURE	INCOME	NETT (SURPLUS)/DEFICIT	APPROPRIATIONS
STREETS AND STORM WATER	7 553 488	23 061 837	19 980 794	5 163 955	3 931	0	55 764 005	-6 001 023	49 762 982	-35 415 875	14 347 107	21 163 695
HAWKER'S CONTROL	53 149	91 489	0	0	0	0	144 638	0	144 638	-175 220	-30 582	-641
ECONOMIC DEVELOPMENT	463 380	1 772 128	201 473	0	393 381	0	2 830 362	0	2 830 362	0	2 830 362	0
<u>RATES AND GENERAL SERVICE: 01 (continued)</u>												
PROPERTIES	858 952	1 858 673	31 435	31 127	4 388	0	2 784 575	0	2 784 575	-4 800 234	-2 015 659	-873 099
DIRECTOR: PLANNING	867 780	4 819 673	113	0	24 466	0	5 712 032	0	5 712 032	-16 174	5 695 858	0
COMMUNITY SERVICES							0		0		0	
FINANCE ADMINISTRATION	0	6 381 577	0	0	0	0	6 381 577	0	6 381 577	-27 083 347	-20 701 770	0
APPROPRIATIONS												-61 450 555
Service Total :	67 157 902	153 422 998	25 072 546	9 047 134	1 436 135	0	256 136 715	-50 654 191	205 482 524	-228 671 438	-23 188 914	-40 798 794

ELECTRICITY SERVICE: 02

ELECTRICITY: ADMIN	4 480 910	7 246 343	16 832	0	6 947	0	11 751 032	0	11 751 032	-613 089	11 137 943	0
ELECTRICITY: DIST.	12 199 390	100 712 628	8 681 053	3 030 845	272 192	0	124 896 108	-5 121 304	119 774 804	-172 948 877	-53 174 073	11 139 148
							0					
Service Total :	16 680 300	107 958 971	8 697 885	3 030 845	279 139	0	136 647 140	-5 121 304	131 525 836	-173 561 966	-42 036 130	11 139 148

WATER SERVICE: 03

WATER PURIFICATION	3 059 944	12 513 073	884 351	249 107	0	0	16 706 475	0	16 706 475	-13 443 173	3 263 302	11 242 414
WATER DISTRIBUTION	5 729 918	4 254 336	7 675 502	594 796	10 218	0	18 264 770	-5 262 513	13 002 257	-59 495 164	-46 492 907	17 854 635
Service Total :	8 789 862	16 767 409	8 559 853	843 903	10 218	0	34 971 245	-5 262 513	29 708 732	-72 938 337	-43 229 605	29 097 049

SEWERAGE SERVICE: 04

SEWERAGE: MAIN LINES & P/STATION	4 691 990	4 618 182	6 771 310	481 577	15 017	0	16 578 076	-3 091 682	13 486 394	-42 414 194	-28 927 800	11 570 323
WATER POLLUTION CONTROL	4 413 211	5 271 690	1 060 962	395 321	49 212	0	11 190 396	0	11 190 396	-1 323 110	9 867 286	68 916
Service Total :	9 105 201	9 889 872	7 832 272	876 898	64 229	0	27 768 472	-3 091 682	24 676 790	-43 737 304	-19 060 514	11 639 239

HOUSING SERVICE: 05

HOUSING	547 327	8 895 469	1 417 033	0	0	0	10 859 829	0	10 859 829	-7 772 857	3 086 972	-3 086 974
HOUSING ADMINISTRATION	3 272 474	20 916 287	254 336	79 371	73 601	0	24 596 069	0	24 596 069	-17 927 761	6 668 308	-1 324 070
Service Total :	3 819 801	29 811 756	1 671 369	79 371	73 601	0	35 455 898	0	35 455 898	-25 700 618	9 755 280	-4 411 044

TRAFFIC SERVICE: 06

SAFETY AND SECURITY	1 614 664	523 296	84 505	0	19 855	0	2 242 320	0	2 242 320	0	2 242 320	0
LAW ENFORCEMENT	7 977 281	8 068 930	946 847	10 265	236 471	0	17 239 794	0	17 239 794	-6 216 998	11 022 796	-1 809 252
VEHICLE REGISTRATION	1 480 528	390 052	19 238	73 611	36 299	0	1 999 728	0	1 999 728	-5 873 335	-3 873 607	-163 684
DRIVER'S LICENCE	906 788	273 597	25 127	0	439	0	1 205 951	0	1 205 951	-1 569 733	-363 782	0
VEHICLE TESTING GROUND	453 421	245 811	5 104	0	344	0	704 680	0	704 680	-241 395	463 285	0
Service Total :	12 432 682	9 501 686	1 080 821	83 876	293 408	0	23 392 473	0	23 392 473	-13 901 461	9 491 012	-1 972 936

APPENDIX D(4)

GEORGE LOCAL MUNICIPALITY : SUMMARY OF INCOME/EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2007

	SALARIES ALLOWANCES	GENERAL EXPENSES	MAINTENANCE	CAPITAL CHARGES	CONTRIBUTION TO CAPITAL OUTLAY	CONTRIBUTION TO FUNDS AND RESERVES	GROSS EXPENDITURE	ADMINISTRATION RECOVERABLES	NETT EXPENDITURE	INCOME	NETT (SURPLUS)/DEFICIT	APPROPRIATIONS
<u>CLEANSING SERVICE: 07</u>												
STREET CLEANSING	1 951 830	676 241	0	0	0	0	2 628 071	-75 866	2 552 205	-921	2 551 284	0
PUBLIC TOILETS	553 981	339 227	74 763	0	273	0	968 244	0	968 244	0	968 244	0
NIGHT SOIL REMOVAL	648 382	173 836	0	0	0	0	822 218	0	822 218	0	822 218	0
REFUSE SITE	272 329	3 372 477	959 059	0	0	0	4 603 865	0	4 603 865	-1 020 000	3 583 865	0
REFUSE REMOVAL	4 934 401	9 616 434	29 699	260 834	9 586	0	14 850 954	0	14 850 954	-23 268 249	-8 417 295	1 134 442
Service Total :	8 360 923	14 178 215	1 063 521	260 834	9 859	0	23 873 352	-75 866	23 797 486	-24 289 170	-491 684	1 134 442
<u>LIBRARIES SERVICE: 08</u>												
LIBRARIES: CALEDON STREET	1 913 305	581 438	99 134	0	979	0	2 594 856	0	2 594 856	-163 414	2 431 442	-100 849
BRANCH LIBRARIES	1 270 486	376 462	94 627	0	501	0	1 742 076	0	1 742 076	-45 220	1 696 856	-42 169
Service Total :	3 183 791	957 900	193 761	0	1 480	0	4 336 932	0	4 336 932	-208 634	4 128 298	-143 018
<u>COST ACCOUNTS SERVICE: 09</u>												
FLEET MANAGEMENT	1 085 252	8 199 489	869 892	175 142	30 977	0	10 360 752	-11 281 320	-920 568	-499 282	-1 419 850	-5 637 587
WORKSHOP-STORES	416 994	231 203	14 673	0	2 302	0	665 172	-660 832	4 340	0	4 340	-60
Service Total :	1 502 246	8 430 692	884 565	175 142	33 279	0	11 025 924	-11 942 152	-916 228	-499 282	-1 415 510	-5 637 647
<u>HEALTH SERVICE : 11</u>												
PERSONAL HEALTH: BLANCO	516 011	6 427	43	0	0	0	522 481	0	522 481	-522 481	0	0
PERSONAL HEALTH: ROSEMORE	336 930	7 800	1 950	0	0	0	346 680	0	346 680	-346 680	0	0
PACALTS DORP C.H.C	1 108 764	17 203	0	0	0	0	1 125 967	0	1 125 967	-1 125 967	0	0
PERSONAL HEALTH: CONVILLE							0		0		0	
HEALTH : ADMIN	917 281	2 365 793	442	0	24 142	0	3 307 658	-161 300	3 146 358	-527 124	2 619 234	0
SOCIAL SERVICES	557 977	1 626 842	0	0	8 440	0	2 193 259	0	2 193 259	-17 532	2 175 727	0
HIV PROJECTS	81 054	616 208	0	0	1 694	0	698 956	0	698 956	-990	697 966	0
OCCUPATIONAL HEALTH	0	0	0	0	0	0	0	0	0	0	0	0
PERSONAL HEALTH: CENTRE	816 016	118 172	169	0	65	0	934 422	0	934 422	-934 422	0	-46 439
CONVILLE C.H.C.	3 098 174	147 496	2 771	0	20 197	0	3 268 638	0	3 268 638	-3 268 638	0	0
PERSONAL HEALTH: LAWAAIKAMP	482 601	7 408	0	0	0	0	490 009	0	490 009	-490 009	0	0
PERSONAL HEALTH: PARKDENE	55 536	8 118	30	0	0	0	63 684	0	63 684	-63 684	0	0
PERSONAL HEALTH: THEMBALETHU	994 976	10 395	212	0	2 275	0	1 007 858	0	1 007 858	-1 007 858	0	0
PERSONAL HEALTH: P/DORP	0	0	0	0	0	0	0	0	0	0	0	0
Service Total :	8 965 320	4 931 862	5 617	0	56 813	0	13 959 612	-161 300	13 798 312	-8 305 385	5 492 927	-46 439
Grand Total :	139 998 028	355 851 361	55 062 210	14 398 003	2 258 161	0	567 567 763	-76 309 008	491 258 755	-591 813 595	-100 554 840	0

APPENDIX D(5)
GEORGE LOCAL MUNICIPALITY : SUMMARY OF INCOME/EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2007

BUDGET COST CENTRE	SALARIES ALLOWANCES	GENERAL EXPENSES	MAINTENANCE	CAPITAL CHARGES	CONTR. TO CAPITAL OUTLAY	CONTR. TO FUNDS AND RESERVES	GROSS EXPENDITURE	ADMINISTRATION EXPENDITURE	NETT EXPENDITURE	INCOME	NETT (SURPLUS)/DEFICIT	APPROPRIATIONS	NETT (SURPLUS)/DEFICIT AFTER RTL
MUNICIPAL MANAGER													
OFFICE OF THE MUNICIPAL MANAGER	1 164 607	157 777	1 505	0	108 177	0	1 432 066	-1 432 067	-1	0	-1	0	0
BUDGET VOTE 1	1 164 607	157 777	1 505	0	108 177	0	1 432 066	-1 432 067	-1	0	-1	0	0
INTERNAL AUDIT	0	3 090 045	0	0	0	0	3 090 045	-3 090 045	0	0	0	0	0
BUDGET VOTE 2	0	3 090 045	0	0	0	0	3 090 045	-3 090 045	0	0	0	0	0
TOTAL MUNICIPAL MANAGER	1 164 607	3 247 822	1 505	0	108 177	0	4 522 111	-4 522 112	-1	0	-1	0	0
MANAGEMENT AND ADMINISTRATION													
ADMINISTRATION	4 638 621	4 927 900	243 076	0	34 274	0	9 843 871	-1 176 700	8 667 171	-17 742	8 649 429	-10 683	8 638 746
POLICIES	0	44	0	0	1 372	0	1 416	0	1 416	0	1 416	0	1 417
CLIENT SERVICES	569 475	126 004	0	0	17 233	0	712 712	0	712 712	-10 307	702 405	0	702 406
LEGAL SERVICES	522 928	103 535	0	0	8 732	0	635 195	0	635 195	0	635 195	0	635 196
PUBLICITY	0	1 276 330	5 050	0	0	0	1 281 380	0	1 281 380	-3 771	1 277 609	-9 434	1 268 173
SWITCHBOARD	268 433	1 956 926	84 505	0	89	0	2 309 953	-868 568	1 441 385	-199 493	1 241 892	-15 773	1 226 119
HAWKER CONTROL	53 149	91 489	0	0	0	0	144 638	0	144 638	-175 220	-30 582	-641	-31 222
IDP	496 829	206 045	0	0	858	0	703 732	0	703 732	0	703 732	0	703 733
BUDGET VOTE 3	6 549 435	8 688 273	332 631	0	62 558	0	15 632 897	-2 045 268	13 587 629	-406 533	13 181 096	-36 531	13 144 566
MAIN LIBRARY: CALEDONSTRAAT	1 913 305	581 438	99 134	0	979	0	2 594 856	0	2 594 856	-163 414	2 431 442	-100 849	2 330 593
BRANCH LIBRARIES	1 270 486	376 462	94 627	0	501	0	1 742 076	0	1 742 076	-45 220	1 696 856	-42 169	1 654 688
BUDGET VOTE 4	3 183 791	957 900	193 761	0	1 480	0	4 336 932	0	4 336 932	-208 634	4 128 298	-143 016	3 985 281
FIRE BRIGADE	3 818 030	1 678 756	100 041	137 260	47 200	0	5 781 287	-310 300	5 470 987	-57 020	5 413 967	-249 581	5 164 387
BUDGET VOTE 5	3 818 030	1 678 756	100 041	137 260	47 200	0	5 781 287	-310 300	5 470 987	-57 020	5 413 967	-249 581	5 164 387
PACALTS DORP HALL	140 405	81 960	23 312	0	18 958	0	264 635	0	264 635	-26 177	238 458	0	238 458
CIVIC CENTRE	1 374 086	1 050 279	416 415	2 391 673	34 353	0	5 266 806	0	5 266 806	-1 896 045	3 370 761	0	3 370 762
BLANCO HALL	94 582	16 196	2 946	0	13 874	0	127 598	0	127 598	-23 102	104 496	0	104 497
CONVILLE HALL	215 295	110 523	30 864	0	33 301	0	389 983	0	389 983	-38 930	351 053	0	351 054
THEMBALETHU HALL	149 552	67 179	47 591	0	19 477	0	283 799	0	283 799	-23 096	260 703	-1 152	259 551
TOUWSRANTEN HALL	82 759	13 048	2 442	0	7 263	0	105 512	0	105 512	-9 496	96 016	0	96 017
MAINTENANCE	464 811	83 928	0	0	99	0	548 638	-36 002	512 836	0	512 836	0	512 837
BUDGET VOTE 6	2 521 490	1 423 113	523 570	2 391 673	127 325	0	6 987 171	-36 002	6 951 169	-2 016 846	4 934 323	-1 152	4 933 176
COMMONAGE AND SIDINGS	440 494	99 871	129 357	0	2 743	0	672 465	0	672 465	0	672 465	0	672 467
BUDGET VOTE 7	440 494	99 871	129 357	0	2 743	0	672 465	0	672 465	0	672 465	0	672 467
SWIMMING POOL	0	277 822	12 646	0	267	0	290 735	0	290 735	0	290 735	0	290 736
SPORT/RECREATION	565 723	1 940 039	1 168 109	987 497	30 220	0	4 691 588	0	4 691 588	-115 914	4 575 674	-1 471 854	3 103 820
BUDGET VOTE 8	565 723	2 217 861	1 180 755	987 497	30 487	0	4 982 323	0	4 982 323	-115 914	4 866 409	-1 471 854	3 394 556
COUNCIL GENERAL EXPENSES	3 057 054	8 447 326	0	0	24 867	0	11 529 247	-7 390 625	4 138 622	-401 497	3 737 125	0	3 737 125
COUNCILLORS EXPENSES	8 390 558	648 125	0	0	29 295	0	9 067 978	-9 067 979	-1	0	-1	0	0
OFFICE OF THE EXECUTIVE MAYOR	295 114	338 755	16 480	0	37 533	0	687 882	-687 884	-2	0	-2	0	0
BUDGET VOTE 9	11 742 726	9 434 206	16 480	0	91 695	0	21 285 107	-17 146 486	4 138 619	-401 497	3 737 122	0	3 737 125
TRAFFIC SERVICES: VEHICLE TESTING CENTRE	453 421	245 811	5 104	0	344	0	704 680	0	704 680	-241 395	463 285	0	463 287
SECURITY SERVICES	1 614 664	523 296	84 505	0	19 855	0	2 242 320	0	2 242 320	0	2 242 320	0	2 242 321
TRAFFIC SERVICES: LAW ENFORCEMENT	7 977 281	8 068 930	946 847	10 265	236 471	0	17 239 794	0	17 239 794	-6 216 998	11 022 796	-1 809 252	9 213 545
TRAFFIC SERVICES: VEHICLE REGISTRATION	1 480 528	390 052	19 238	73 611	36 299	0	1 999 728	0	1 999 728	-5 873 335	-3 873 607	-163 684	-4 037 289
TRAFFIC SERVICES: DRIVERS LICENSES	906 788	273 597	25 127	0	439	0	1 205 951	0	1 205 951	-1 569 733	-363 782	0	-363 781
BUDGET VOTE 10	12 432 682	9 501 686	1 080 821	83 876	293 408	0	23 392 473	0	23 392 473	-13 901 461	9 491 012	-1 972 936	7 518 083
TOTAL MANAGEMENT AND ADMINISTRATION	41 254 371	34 001 666	3 557 416	3 600 306	656 896	0	83 070 655	-19 538 058	63 532 597	-17 107 905	46 424 692	-3 875 072	42 549 643

APPENDIX D(5)
GEORGE LOCAL MUNICIPALITY : SUMMARY OF INCOME/EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2007

BUDGET COST CENTRE	SALARIES ALLOWANCES	GENERAL EXPENSES	MAINTENANCE	CAPITAL CHARGES	CONTR. TO CAPITAL OUTLAY	CONTR. TO FUNDS AND RESERVES	GROSS EXPENDITURE	ADMINISTRATION EXPENDITURE	NETT EXPENDITURE	INCOME	NETT (SURPLUS)/DEFICIT	APPROPRIATIONS	NETT (SURPLUS)/DEFICIT AFTER RTL
HUMAN RESOURCES													
LITERACY SERVICES	0	0	0	0	0	0	0	0	0	0	0	0	0
HUMAN RESOURCES: ADMINISTRATION	3 670 314	6 870 382	7 818	0	102 707	0	10 851 221	-8 432 887	2 218 334	-1 514 683	703 651	-4 171	699 481
BUDGET VOTE 11	3 670 314	6 870 382	7 818	0	102 707	0	10 851 221	-8 432 887	2 218 334	-1 514 683	703 651	-4 171	699 481
TOTAL HUMAN RESOURCES	3 670 314	6 870 382	7 818	0	102 707	0	10 851 221	-8 432 887	2 218 334	-1 514 683	703 651	-4 171	699 481
PLANNING AND DEVELOPMENT													
HOUSING ADMINISTRATION	3 272 474	20 916 287	254 336	79 371	73 601	0	24 596 069	0	24 596 069	-17 927 761	6 668 308	-1 324 070	5 344 240
BUDGET VOTE 12	3 272 474	20 916 287	254 336	79 371	73 601	0	24 596 069	0	24 596 069	-17 927 761	6 668 308	-1 324 070	5 344 240
PLANNING	4 668 512	2 338 494	27 492	0	177 747	0	7 212 245	0	7 212 245	-9 086 611	-1 874 366	-9 282 974	-11 157 339
ECONOMIC DEVELOPMENT	463 380	1 772 128	201 473	0	393 381	0	2 830 362	0	2 830 362	0	2 830 362	0	2 830 364
PROPERTIES	858 952	1 858 680	31 436	31 127	4 388	0	2 784 583	0	2 784 583	-4 800 234	-2 015 651	-873 099	-2 888 856
DIRECTOR: PLANNING AND DEVELOPMENT	867 780	4 819 673	113	0	24 466	0	5 712 032	0	5 712 032	-16 174	5 695 858	0	5 695 859
BUDGET VOTE 13	6 858 624	10 788 975	260 514	31 127	599 982	0	18 539 222	0	18 539 222	-13 903 019	4 636 203	-10 156 073	-5 519 972
TOTAL: PLANNING AND DEVELOPMENT	10 131 098	31 705 262	514 850	110 498	673 583	0	43 135 291	0	43 135 291	-31 830 780	11 304 511	-11 480 143	-175 732
HEALTH SERVICES													
HEALTH: ADMINISTRATION	917 281	2 365 793	442	0	24 142	0	3 307 658	-161 300	3 146 358	-527 124	2 619 234	0	2 619 235
SOCIAL SERVICES	557 977	1 626 842	0	0	8 440	0	2 193 259	0	2 193 259	-17 532	2 175 727	0	2 175 728
HIV PROJECTS	81 054	618 208	0	0	1 694	0	698 956	0	698 956	-990	697 966	0	697 966
OCCUPATIONAL HEALTH	0	0	0	0	0	0	0	0	0	0	0	0	0
ENVIRONMENTAL HEALTH	372 740	345 228	2 785	0	3 811	0	724 564	0	724 564	-962	723 602	-15 386	708 216
BUDGET VOTE 14	1 929 052	4 954 071	3 227	0	38 087	0	6 924 437	-161 300	6 763 137	-546 608	6 216 529	-15 386	6 201 145
CLINIC SERVICES: BLANCO	516 011	6 425	43	0	0	0	522 479	0	522 479	-522 481	-2	0	0
CLINIC SERVICES: ROSEMORE	336 930	7 799	1 950	0	0	0	346 679	0	346 679	-346 680	-1	0	0
PACALTSDOORP G.G.S	1 108 764	17 203	0	0	0	0	1 125 967	0	1 125 967	-1 125 967	0	0	0
CLINIC SERVICES: CIVIC CENTRE	816 016	118 172	168	0	65	0	934 421	0	934 421	-934 422	-1	-46 439	-46 439
CONVILLE G.G.S.	3 098 174	147 495	2 771	0	20 197	0	3 268 637	0	3 268 637	-3 268 638	-1	0	0
CLINIC SERVICES: LAWAAI	482 601	7 407	0	0	0	0	490 008	0	490 008	-490 009	-1	0	0
CLINIC SERVICES: PARKDENE	55 536	8 117	30	0	0	0	63 683	0	63 683	-63 684	-1	0	0
CLINIC SERVICES: THEMBALETHU	994 976	10 394	212	0	2 275	0	1 007 857	0	1 007 857	-1 007 858	-1	0	0
CLINIC SERVICES: PACALTSDOORP	0	0	0	0	0	0	0	0	0	0	0	0	0
BUDGET VOTE 15	7 409 008	323 012	5 174	0	22 537	0	7 759 731	0	7 759 731	-7 759 739	-8	-46 439	-46 439
TOTAL HEALTH SERVICES	9 338 060	5 277 083	8 401	0	60 624	0	14 684 168	-161 300	14 522 868	-8 306 347	6 216 521	-61 825	6 154 706
CIVIL AND TECHNICAL SERVICES													
FORESTRY	0	944 513	20 175	0	0	0	964 688	0	964 688	-535 043	429 645	0	429 645
BUDGET VOTE 16	0	944 513	20 175	0	0	0	964 688	0	964 688	-535 043	429 645	0	429 645
PROCLAIMED ROADS	0	2 792 409	835 055	0	0	0	3 627 464	0	3 627 464	-753 000	2 874 464	-645 759	2 228 705
BUDGET VOTE 17	0	2 792 409	835 055	0	0	0	3 627 464	0	3 627 464	-753 000	2 874 464	-645 759	2 228 705
CEMETERIES	543 636	272 223	97 999	0	0	0	913 858	0	913 858	-240 503	673 355	-47 336	626 019
BEACH AREAS	1 329	97 282	79 545	0	0	0	178 156	0	178 156	-252 549	-74 393	-75 393	-149 786
HEROLDSBAAI: CARAVAN PARK	82 788	141 837	48 862	0	0	0	273 487	-57 992	215 495	-330 275	-114 780	-9 523	-124 303
PARKS AND GARDENS	2 439 187	4 199 599	534 603	154 090	0	0	7 327 479	0	7 327 479	-2 593	7 324 886	-279 357	7 045 530
BUDGET VOTE 18	3 066 940	4 710 941	761 009	154 090	0	0	8 692 980	-57 992	8 635 988	-825 920	7 809 068	-411 609	7 397 460
STREET CLEANSING	1 951 830	676 241	0	0	0	0	2 628 071	-75 866	2 552 205	-921	2 551 284	0	2 551 284
PUBLIC TOILETS	553 981	339 227	74 763	0	273	0	968 244	0	968 244	0	968 244	0	968 244
REMOVAL OF NIGHT SOIL	648 382	173 836	0	0	0	0	822 218	0	822 218	0	822 218	0	822 218
DUMPING SITE	272 329	3 372 477	959 059	0	0	0	4 603 865	0	4 603 865	-1 020 000	3 583 865	0	3 583 867
REFUSE REMOVAL	4 934 401	9 616 434	29 699	260 834	9 586	0	14 850 954	0	14 850 954	-23 268 249	-8 417 295	1 134 442	-7 282 849
BUDGET VOTE 19	8 380 923	14 178 215	1 063 521	260 834	9 859	0	23 873 352	-75 866	23 797 486	-24 289 170	-491 684	1 134 442	642 764
SEWERAGE: MAINLINES AND PUMP STATIONS	4 691 990	4 618 182	6 771 310	481 577	15 017	0	16 578 076	-3 091 682	13 486 394	-42 414 194	-28 927 800	11 570 323	-17 357 474
WATER CONTAMINATION CONTROL	4 413 211	5 271 690	1 060 962	395 321	49 212	0	11 190 396	0	11 190 396	-1 323 110	9 867 286	68 916	9 936 204
BUDGET VOTE 20	9 105 201	9 889 872	7 832 272	876 898	64 229	0	27 768 472	-3 091 682	24 676 790	-43 737 304	-19 060 514	11 639 239	-7 421 270

APPENDIX D(5)
GEORGE LOCAL MUNICIPALITY : SUMMARY OF INCOME/EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2007

BUDGET COST CENTRE	SALARIES ALLOWANCES	GENERAL EXPENSES	MAINTENANCE	CAPITAL CHARGES	CONTR. TO CAPITAL OUTLAY	CONTR. TO FUNDS AND RESERVES	GROSS EXPENDITURE	ADMINISTRATION EXPENDITURE	NETT EXPENDITURE	INCOME	NETT (SURPLUS)/DEFICIT	APPROPRIATIONS	NETT (SURPLUS)/DEFICIT AFTER RTL
CIVIL AND TECHNICAL SERVICES: ADMINISTRATION	4 678 770	4 384 256	77 667	0	49 089	0	9 189 782	-1 330 500	7 859 282	-2 498 919	5 360 363	-2 241	5 358 124
BUDGET VOTE 21	4 678 770	4 384 256	77 667	0	49 089	0	9 189 782	-1 330 500	7 859 282	-2 498 919	5 360 363	-2 241	5 358 124
STREETS AND STORM WATER	7 553 488	23 061 837	19 980 794	5 163 955	3 931	0	55 764 005	-6 001 023	49 762 982	-35 415 875	14 347 107	21 163 695	35 510 803
BUDGET VOTE 22	7 553 488	23 061 837	19 980 794	5 163 955	3 931	0	55 764 005	-6 001 023	49 762 982	-35 415 875	14 347 107	21 163 695	35 510 803
WATER PURIFICATION	3 059 944	12 513 073	884 351	249 107	0	0	16 706 475	0	16 706 475	-13 443 173	3 263 302	11 242 414	14 505 717
WATER DISTRIBUTION	5 729 918	4 254 336	7 675 502	594 796	10 218	0	18 264 770	-5 262 513	23 527 283	-59 495 164	-35 967 881	17 854 635	-28 638 269
BUDGET VOTE 23	8 789 862	16 767 409	8 559 853	843 903	10 218	0	34 971 245	-5 262 513	40 233 758	-72 938 337	-32 704 579	29 097 049	-14 132 552
FLEET MANAGEMENT	1 085 252	8 199 489	869 892	175 142	30 977	0	10 360 752	-11 281 320	-920 568	-499 282	-1 419 850	-5 637 587	-7 057 434
MECHANICAL WORKSHOP	416 994	231 203	14 673	0	2 902	0	665 172	-660 832	4 340	0	4 340	-60	4 281
BUDGET VOTE 24	1 502 246	8 430 692	884 565	175 142	33 279	0	11 025 924	-11 942 152	-916 228	-499 282	-1 415 510	-5 637 647	-7 053 153
TOTAL CIVIL AND TECHNICAL SERVICES	43 057 430	85 160 144	40 014 911	7 474 822	170 605	0	175 877 912	-27 761 728	158 641 210	-181 492 850	-22 851 640	56 337 169	22 960 526
ELECTRO TECHNICAL SERVICES													
ELECTRO TECHNICAL SERVICES: ADMINISTRATION	4 480 910	7 246 343	16 832	0	6 947	0	11 751 032	0	11 751 032	-613 089	11 137 943	0	11 137 944
ELECTRO TECHNICAL SERVICES: DISTRIBUTION	12 199 390	100 712 628	8 681 053	3 030 845	272 192	0	124 896 108	-5 121 304	119 774 804	-172 948 877	-53 174 073	11 139 148	-42 034 922
BUDGET VOTE 25	16 680 300	107 958 971	8 697 885	3 030 845	279 139	0	136 647 140	-5 121 304	131 525 836	-173 961 966	-42 036 130	11 139 148	-30 896 978
TOTAL ELECTRO TECHNICAL SERVICES	16 680 300	107 958 971	8 697 885	3 030 845	279 139	0	136 647 140	-5 121 304	131 525 836	-173 961 966	-42 036 130	11 139 148	-30 896 978
FINANCIAL SERVICES													
HOUSING	547 327	8 895 469	1 417 033	0	0	0	10 859 829	0	10 859 829	-7 772 857	3 086 972	-3 086 974	0
BUDGET VOTE 26	547 327	8 895 469	1 417 033	0	0	0	10 859 829	0	10 859 829	-7 772 857	3 086 972	-3 086 974	0
RATES	0	28 804 612	0	0	0	0	28 804 612	0	28 804 612	-108 685 313	-79 880 701	4 203 139	-75 677 562
COLLECTIONS	1 017 181	24 165 437	0	0	953	0	25 183 571	0	25 183 571	-31 524 038	-6 340 467	0	-6 340 466
FINANCIAL SERVICES: INCOME	5 755 979	255 031	1 379	0	23 335	0	6 035 724	0	6 035 724	-104 409	5 931 315	0	5 931 316
FINANCIAL SERVICES: VALUATIONS	377 185	28 176	0	0	0	0	405 361	0	405 361	0	405 361	0	405 362
TREASURY	1 559 885	8 846 373	22 774	115 250	10 641	0	10 554 923	-6 420 000	4 134 923	-2 108 076	2 026 847	8 301 971	10 328 820
SUPPLY CHAIN MANAGEMENT	250 352	13 510	0	39 125	0	0	302 987	0	302 987	0	302 987	0	302 988
FINANCIAL SERVICES: EXPENDITURE	1 371 934	56 650	81	0	5 697	0	1 434 362	0	1 434 362	-302 032	1 132 330	0	1 132 331
TREASURY: REMUNERATION	737 010	70 094	0	0	7 844	0	814 948	-814 948	0	0	0	0	0
FINANCIAL SERVICES: BUDGET OFFICE	521 513	653 687	0	0	16 649	0	1 191 849	0	1 191 849	-390 846	801 003	0	801 003
FINANCIAL SERVICES: FINANCIAL STATEMENTS	1 055 586	126 995	0	0	7 281	0	1 189 862	0	1 189 862	0	1 189 862	0	1 189 863
FINANCE ADMINISTRATION	0	6 381 577	0	0	0	0	6 381 577	0	6 381 577	-27 083 347	-20 701 770	-61 450 555	-20 701 770
BUDGET VOTE 27	12 646 625	69 402 142	24 234	154 375	72 400	0	82 299 776	-7 234 948	75 064 828	-170 198 061	-95 133 233	-48 945 445	-82 628 115
STORES	763 536	491 687	15 202	0	2 083	0	1 272 508	-1 345 771	-73 263	-19 068	-92 331	0	-92 329
BUDGET VOTE 28	763 536	491 687	15 202	0	2 083	0	1 272 508	-1 345 771	-73 263	-19 068	-92 331	0	-92 329
COMPUTER: NETWORK	46 919	2 165 889	-48 321	27 157	131 947	0	2 323 591	-781 300	1 542 291	-9 078	1 533 213	-22 687	1 504 242
COMPUTER: FRAMEWORK	697 441	674 844	851 276	0	0	0	2 223 561	-1 409 600	813 961	0	813 961	0	813 962
BUDGET VOTE 29	744 360	2 840 733	802 955	27 157	131 947	0	4 547 152	-2 190 900	2 356 252	-9 078	2 347 174	-22 687	2 318 204
TOTAL FINANCIAL SERVICES	14 701 848	81 630 031	2 259 424	181 532	206 430	0	98 979 265	-10 771 619	88 207 646	-177 999 064	-89 791 418	-52 055 106	-80 402 240
GRAND TOTAL FOR GEORGE MUNICIPALITY													
	139 998 028	355 851 361	55 062 210	14 388 003	2 258 161	0	567 567 763	-76 309 008	491 258 755	-591 813 595	-100 554 840	0	-39 110 594

APPENDIX E (1)

GEORGE MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE)
FOR THE YEAR ENDED 30 JUNE 2007

	2007 Actual (R)	2007 Amended Budget	2007 Variance (R)	2007 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
REVENUE					
Property Rates	105 355 661	105 419 000	-63 339	0%	
Property Rates - penalties imposed and collection charges	2 840 983	3 000 000	-159 017	-5%	
Service charges	271 910 927	271 324 000	586 927	0%	
Rental of facilities and equipment	2 110 543	2 060 100	50 443	2%	
Interest earned - external investments	30 732 121	23 500 000	7 232 121	31%	The cashflow was such that the Council was in the fortunate position that there was a growth in external investments.
Interest earned - outstanding debtors	3 368 217	3 263 000	105 217	3%	
Dividends received	0	0	0	0%	
Fines	6 367 663	9 252 500	-2 884 837	-31%	Due to flood damages, a camera which was installed at Kaaimaas was taken out, loss in ticket fines.
Licences and permits	2 327 128	2 110 600	216 528	10%	
Income for agency services	5 381 712	5 024 400	357 312	7%	
Government grants and subsidies - Operating	63 817 329	63 423 822	393 507	1%	
Government grants and subsidies - Capital	46 855 095	0	46 855 095	0%	
Other income	50 458 618	41 455 560	9 003 058	22%	Income in respect of sale of erven could not be anticipated and vat claimed back.
Public contributions, donated and contributed property, plant and equipment	0	0	0	0%	
Gains on disposal of property, plant and equipment	287 598	0	287 598	0%	
Total Revenue	R 591 813 595	R 529 832 982	R 61 980 613	12%	

APPENDIX E (1)

GEORGE LOCAL MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE)
FOR THE YEAR ENDED 30 JUNE 2007

	2007 Actual (R)	2007 Amended Budget	2007 Variance (R)	2007 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
EXPENDITURE					
					Amount budgeted for severance pay not utilized, there was uncertainty about council packages.
Executive & Council	22 717 179	30 221 345	-7 504 166	-25%	
Finance and Admin	131 821 581	140 675 473	-8 853 892	-6%	
Planning & Development	25 648 164	28 140 798	-2 492 634	-9%	
Health Clinics	13 959 621	20 317 159	-6 357 538	-31%	The clinics were phasing out
Community and Social Services	11 689 140	13 105 423	-1 416 283	-11%	The Budget was too conservative.
					Grants and subsidies in respect of housing could not be anticipated.
Housing	35 455 903	31 286 978	4 168 925	13%	
Public Safety	25 263 407	26 648 525	-1 385 118	-5%	
Sport and Recreation	12 761 454	13 655 432	-893 978	-7%	
Waste Management	96 215 445	102 582 702	-6 367 257	-6%	
Road Transport	724 566	733 809	-9 243	-1%	
					Grants and subsidies received for flood damages
Water	7 537 830	5 724 161	1 813 669	32%	The Budget was too conservative.
Electricity Distribution	46 161 648	56 077 819	-9 916 171	-18%	
Forestry	136 647 145	136 194 640	452 505	0%	
Inter - departmental charges	964 689	994 000	-29 311	-3%	
Total Expenditure	-76 309 017	-76 701 580	392 563	-1%	
	491 258 755	529 656 684	-38 397 929	-7%	
NET SURPLUS/(DEFICIT) FOR THE YEAR	R 100 554 840	R 176 298	R 100 378 542		

APPENDIX E(2)

GEORGE LOCAL MUNICIPALITY : ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT)

FOR THE YEAR ENDED 30 JUNE 2007

	A	B	A+B=C	D	C-D	E/D*100%	
	2007	2007	2007	2007	2007	2007	Explanation of Significant
	ACTUAL	UNDER CONSTRUCTION	TOTAL ADDITIONS	AMENDED BUDGET	VARIANCE	VARIANCE	Variance greater than 5% versus Budget
Finance and Admin	4 684 970.89	0.00	4 684 970.89	5 351 089.00	-666 118.11	-12.4%	R500,000 budgeted for monitoring system did not realize due to the delay caused by the service provider.
Planning & Development	9 383 592.88	1 515 102.06	10 898 694.94	14 886 052.00	-3 987 357.06	-26.8%	Purchase of land was transferred to the 2007/8 financial year due to delay in approval of contract. Pacaltsdorp Industria Erf 13898, amount budgeted includes 14% VAT which can be claimed back and other portion was for unseen circumstances which was not fully utilised.
Housing	3 550 009.78	488 079.65	4 038 089.43	6 472 492.00	-2 434 402.57	-37.6%	Touwsrante EIA's not approved, grant allocations for creche not yet received and delays in approving EIA's for Erf 325 .
Health	999 999.73	0.00	999 999.73	1 000 000.00	-0.27	0.0%	
Community and Social Services	5 610 667.59	682 098.12	6 292 765.71	7 674 000.00	-1 381 234.29	-18.0%	Stalls for Hawkers: this project is a WIP for 2007/2008 and savings on shelter for commuters.
Public Safety	3 918 905.19	0.00	3 918 905.19	4 402 000.00	-483 094.81	-11.0%	Savings on fire brigade and vehicle purchased.
Sport and Recreation	6 881 373.90	0.00	6 881 373.90	7 343 000.00	-461 626.10	-6.3%	Savings on creation and upgrading of sport facilities.
Waste Management	50 672 686.58	50 300 712.22	100 973 398.80	101 495 000.00	-521 601.20	-0.5%	
Road Transport	136 174.08	0.00	136 174.08	862 000.00	-725 825.92	-84.2%	This project was stopped by Council resolution, this project will be replaced by the building of One Stop Building.
Water	36 666 326.33	6 414 185.65	43 080 511.98	43 183 000.00	-102 488.02	-0.2%	
Electricity	21 580 465.29	131 250.00	21 711 715.29	29 780 000.00	-8 068 284.71	-27.1%	Donation of Ripple Control from Eskom that did not realized.
TOTAL	144 085 172.24	59 531 427.70	203 616 599.94	222 448 633.00	-18 832 033.06	-8.5%	

APPENDIX E

GEORGE LOCAL MUNICIPALITY

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA 56 OF 2003 FOR THE YEAR ENDED 30 JUNE 2007

GRANTS AND SUBSIDIES RECEIVED

NAMES OF GRANTS	NAME OF ORGAN OF STATE OR MUNICIPAL ENTITY	LOAN ID	ALLOCATIONS AS PER DORA	BALKANCE BROUGHT FORWARD	QUARTERLY EXPENDITURE				QUARTERLY EXPENDITURE				GRANTS AND SUBSIDIES DELAYED / WITHHELD				TOTAL
					Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	
<u>NATIONAL GRANTS</u>																	
Financial Management Grant (FMG)	Dept. of Local Government		500 000	4 567 423	500 000.00				148 543	70 328	85 750	86 225					4 676 577
Transitional Grant				1 576 522													1 576 522
Municipal Infrastructure Grant (MIG) - Disaster	National Treasury	1891					21 398 486					12 798 486					8 600 000
Municipal Infrastructure Grant (MIG)	Dept. of Local Government	1861	35 511 000	4 896 322			5 961 068	2 600 000				11 032 256					2 425 135
Integrated National Electrification Programme:Eskom	Dept. of Minerals & Energy		445 000	0													0
TOTAL: NATIONAL GRANTS			36 456 000	11 040 267	500 000	0	27 359 554	2 600 000	148 543	70 328	85 750	23 916 966	0	0	0	0	17 278 234
<u>PROVINCIAL GRANTS</u>																	
Rehabilitation of Gwaing Rioolwerke	Local Government and Housing	1893	62 000	0			62 000					62 000					0
Taxi Terminus	Dept. of Transport	1855	0	758 985								758 986					-0
Mobility Strategy	Dept. of Transport	1882	15 000 000	7 000 000			15 000 000					10 250 074					11 749 926
Spatial Development Framework	PAWC		145 000	375 000													375 000
Integrated housing and human settlement development	Local Government and Housing		8 013 000	0													0
High Security Fence	Dept. of Housing	1886		50 316								50 316					0
ERF 325	Dept. of Housing	1887		0				771 043				771 043					0
Touwsrante - Housing Project	Dept. of Housing	1888		0				294 498				294 498					0
Proclaimed Roads	Dept. of Transport	1884		0		1 250 508	4 789 492					6 040 000					0
TOTAL: PROVINCIAL GRANTS			23 220 000	8 184 301	0	1 250 508	19 851 492	1 065 541	0	0	0	18 226 917	0	0	0	0	12 124 925

APPENDIX E

GEORGE LOCAL MUNICIPALITY

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA 56 OF 2003 FOR THE YEAR ENDED 30 JUNE 2007

GRANTS AND SUBSIDIES RECEIVED

NAMES OF GRANTS	NAME OF ORGAN OF STATE OR MUNICIPAL ENTITY	LOAN ID	ALLOCATIONS AS PER DORA	BALKANCE BROUGHT FORWARD	QUARTERLY EXPENDITURE				QUARTERLY EXPENDITURE				GRANTS AND SUBSIDIES DELAYED / WITHHELD				TOTAL
SUNDRY GRANTS																	
Uitbreiding van George Waterbronne	Eden District Municipality	1892		0			3 420 000				3 420 000						0
Khulani Women's Project	PAWC			383 980			27 910										411 890
IGG - Pay points	PAWC			32 765							32 765						-0
Electrification - 300 erven Ramaphosa	Dept. of Minerals & Energy	1869		87 398							87 398						0
Fancourt Contribution - Electrification	Eden District Municipality	1867		28 231							28 231						0
Floodlights Outeniqua Park	Eden District Municipality	1862	0	73 000							73 000						0
Security Lighting Thembaletu	Eden District Municipality	1863		21 162							21 162						0
Electrification - Marais Camp	Dept. of Minerals & Energy	1865	0	138 042							138 042						0
Fancourt Contribution - Water Distribution	Eden District Municipality	1868		1 029 605							1 029 605						0
Refuse Transfer Station	Eden District Municipality	1870		202 116													202 116
TOTAL: SUNDRY GRANTS				1 996 297	0	0	3 420 000	27 910	0	0	0	4 830 202	0	0	0	0	614 006
GRAND TOTAL			R 59 676 000	R 21 220 866	R 500 000	R 1 250 508	R 50 631 045	R 3 693 451	R 148 543	R 70 328	R 85 750	R 46 974 085	R 0	R 0	R 0	R 0	R 30 017 165

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APPENDIX G
GEORGE LOCAL MUNICIPALITY
FUNDING REGISTER FOR THE YEAR ENDED 30 JUNE 2007

Loan ID	Fund Group	Fund Description	Creditor Name	Purpose	Interest %	Redeem-able	B/Fwd.Capital	Received	Redeemed	Interest paid	C/Fwd. Capital	Conditions Met	Available	Asset Book Value
1861	CGRNT	Conditional Grants - National Government	Department of Local Government	Municipal Infrastructure Grant	0	0	15 988 750.57	8 561 068.45	0.00	0.00	24 549 819.02	22 124 684.68	2 425 134.34	21 967 080.08
1891	CGRNT	Conditional Grants - National Government	Department of Local Government	MIG - Disaster Grant	0	0	0.00	21 398 485.79	0.00	0.00	21 398 485.79	12 798 485.79	8 600 000.00	12 764 764.50
							15 988 750.57	29 959 554.24	0.00	0.00	45 948 304.81	34 923 170.47	11 025 134.34	34 731 844.58
1871	DON	Donations	Eden District Municipality	New Refuse Transfer Station			0.00	0.00	0.00	0.00	0.00	0.00	0.00	4 331 715.57
							0.00	0.00	0.00	0.00	0.00	0.00	0.00	4 331 715.57
1857	CGROT	Conditional Grants - other sources	Department of Minerals & Energy	Electrification 274 erven - Newdawn Park	0	0	899 400.00	0.00	0.00	0.00	899 400.00	899 400.00	0.00	850 556.46
1858	CGROT	Conditional Grants - other sources	Department of Minerals & Energy	Electrification Fill - in erven	0	0	1 893 300.00	0.00	0.00	0.00	1 893 300.00	1 893 300.00	0.00	1 778 763.49
1859	CGROT	Conditional Grants - other sources	Eden District Municipality	Upgrading Pump station nr.1	0	0	3 558 600.32	0.00	0.00	0.00	3 558 600.32	3 558 600.32	0.00	3 360 670.30
1862	CGROT	Conditional Grants - other sources	Eden District Municipality	Floodlights Outeniqua Park	0	0	673 000.00	0.00	0.00	0.00	673 000.00	673 000.00	0.00	642 884.00
1863	CGROT	Conditional Grants - other sources	Eden District Municipality	Security Lighting Thembalethu	0	0	400 000.00	0.00	0.00	0.00	400 000.00	400 000.00	0.00	369 617.00
1865	CGROT	Conditional Grants - other sources	Department of Minerals & Energy	Electrification - Marais Camp	0	0	417 410.49	0.00	0.00	0.00	417 410.49	417 410.49	0.00	389 883.18
1867	CGROT	Conditional Grants - other sources	Eden District Municipality	Fancourt Contribution - Electrification	0	0	28 230.50	0.00	0.00	0.00	28 230.50	28 230.50	0.00	28 082.50
1868	CGROT	Conditional Grants - other sources	Eden District Municipality	Fancourt Contribution - Water Distribution	0	0	1 029 604.68	0.00	0.00	0.00	1 029 604.68	1 029 604.68	0.00	1 029 462.68
1869	CGROT	Conditional Grants - other sources	Department of Minerals & Energy	Electrification 300 erven - Rhampos	0	0	87 397.94	0.00	0.00	0.00	87 397.94	87 397.94	0.00	87 385.94
1870	CGROT	Conditional Grants - other sources	Eden District Municipality	Refuse Transfer Station	0	0	1 268 929.76	0.00	0.00	0.00	1 268 929.76	1 066 813.71	202 116.05	1 013 473.62
1880	CGROT	Conditional Grants - other sources	Oubasi Golf Estate	Reservoir/Pipelines Harold's Bay	0	0	1 093 338.00	0.00	0.00	0.00	1 093 338.00	1 093 338.00	0.00	1 036 671.10
1881	CGROT	Conditional Grants - other sources	SWD Rugby Union	Floodlights Outeniqua Park	0	0	900 000.00	0.00	0.00	0.00	900 000.00	900 000.00	0.00	854 880.30
1892	CGROT	Conditional Grants - other sources	Eden District Municipality	Extension Water Supply	0	0	0.00	3 420 000.00	0.00	0.00	3 420 000.00	3 420 000.00	0.00	3 419 532.33
							12 249 211.69	3 420 000.00	0.00	0.00	15 669 211.69	15 467 095.64	202 116.05	14 883 862.90
781	CGRPR	Conditional Grants - Provincial Government	PAWC-Dept of Cultural Affairs	Upgrading P/Dorp Sport Complex	0	0	200 000.00	0.00	0.00	0.00	200 000.00	200 000.00	0.00	180 000.20
1053	CGRPR	Conditional Grants - Provincial Government	PAWC-Dept of Health	Rosemore Clinic Extension	0	0	79 494.34	0.00	0.00	0.00	79 494.34	79 494.34	0.00	74 194.75
1855	CGRPR	Conditional Grants - Provincial Government	Department of Transport	Taxi Terminus	0	0	3 631 536.79	0.00	0.00	0.00	3 631 536.79	3 631 536.79	0.00	3 507 309.23
1856	CGRPR	Conditional Grants - Provincial Government	Department of Transport	Paving Sandkraal Road	0	0	783 358.23	0.00	0.00	0.00	783 358.23	783 358.23	0.00	626 686.17
1864	CGRPR	Conditional Grants - Provincial Government	Dept. of Water Affairs & Forestry	Phasing out sewer bucket system	0	0	543 000.00	0.00	0.00	0.00	543 000.00	543 000.00	0.00	488 697.00
1866	CGRPR	Conditional Grants - Provincial Government	Dept. of Water Affairs & Forestry	Water Masibambane Project	0	0	26 220.00	0.00	0.00	0.00	26 220.00	26 220.00	0.00	23 598.04
1882	CGRPR	Conditional Grants - Provincial Government	Department of Transport	George Mobility Strategy	0	0	7 000 000.00	15 000 000.00	0.00	0.00	22 000 000.00	10 250 074.45	11 749 925.55	10 249 989.20
1884	CGRPR	Conditional Grants - Provincial Government	Department of Transport	Proclaimed Roads - Reseal	0	0	948 000.00	6 040 000.00	0.00	0.00	6 988 000.00	6 988 000.00	0.00	6 897 991.21
1886	CGRPR	Conditional Grants - Provincial Government	PAWC - Dept of Housing	High Security Fence	0	0	409 715.83	0.00	0.00	0.00	409 715.83	409 715.83	0.00	198 068.10
1887	CGRPR	Conditional Grants - Provincial Government	PAWC - Dept of Housing	Housing Project - Erf 325	0	0	578 121.32	771 042.65	0.00	0.00	1 349 163.97	1 349 163.97	0.00	1 295 197.41
1888	CGRPR	Conditional Grants - Provincial Government	PAWC - Dept of Housing	Housing Project - Touwsranten	0	0	46 250.85	294 498.25	0.00	0.00	340 749.10	340 749.10	0.00	331 472.03
1889	CGRPR	Conditional Grants - Provincial Government	PAWC - Dept of Housing	Housing Project - 316 Fill - inn erven	0	0	991 534.84	0.00	0.00	0.00	991 534.84	991 534.84	0.00	793 227.87
1890	CGRPR	Conditional Grants - Provincial Government	PAWC - Dept of Housing	Housing Project - Borchards	0	0	893 796.95	0.00	0.00	0.00	893 796.95	893 796.95	0.00	804 173.24
1893	CGRPR	Conditional Grants - Provincial Government	Department of Local Government	Rehabilitation Gwaing Sewer	0	0	0.00	62 000.00	0.00	0.00	62 000.00	62 000.00	0.00	61 991.82
							16 131 029.15	22 167 540.90	0.00	0.00	38 298 570.05	26 548 644.50	11 749 925.55	25 532 598.37
		Total Conditional Grants					44 368 991.41	55 547 095.14	0.00	0.00	99 916 086.55	76 938 910.61	22 977 175.94	75 148 305.85
1061	ANN	Annuities	INCA (Infrastructure Finance Corp.)	Annuity	9	20150630	22 621 656.01	0.00	-1 723 590.88	1 998 691.80	20 898 065.13	20 898 065.13	0.00	19 348 210.88
1062	ANN	Annuities	DBSA(Development Bank of South Africa)	Annuity	9.04	20251231	35 121 625.83	0.00	-760 777.80	3 239 535.63	34 360 848.03	34 360 848.03	0.00	33 708 036.45
1064	ANN	Annuities	ABSA Bank Ltd.	Annuity	10.5	20160630	18 000 000.00	0.00	-1 091 507.27	1 854 870.61	16 908 492.73	16 908 492.73	0.00	16 807 974.89
1065	ANN	Annuities	DBSA(Development Bank of South Africa)	Annuity	9.41	20261231	46 000 000.00	0.00	-839 255.98	4 311 574.04	45 160 744.02	45 160 744.02	0.00	45 390 346.98
1066	ANN	Annuities	DBSA(Development Bank of South Africa)	Annuities	9.18	20270630	0.00	45 700 000.00	0.00	0.00	45 700 000.00	45 699 594.86	405.34	45 665 791.68
1067	ANN	Annuities	DBSA(Development Bank of South Africa)	Annuities	9.365	20170630	0.00	47 400 000.00	0.00	0.00	47 400 000.00	47 400 000.00	0.00	47 344 931.76
765	EFF	External financing fund			0	0	0.00	0.00	0.00	0.00	0.00	-0.02	0.02	16 552 531.41
1063	EFF	External financing fund	INCA (Infrastructure Finance Corp.)	Annuity	10.07	20160630	18 000 000.00	0.00	-1 112 913.36	1 785 852.50	16 887 086.64	16 887 086.64	0.00	17 069 171.34
		Total Annuities					139 743 281.84	93 100 000.00	-5 528 045.29	13 190 524.58	227 315 236.55	227 314 831.19	405.36	241 887 995.37
1872	CRRCL	CRR Cleansing Infrastructure			0	0	2 285 162.86	1 404 500.00	0.00	0.00	3 689 662.86	652 031.03	3 037 631.83	605 694.68
1873	CRRCL	CRR Electricity Infrastructure			0	0	24 470 111.53	27 319 128.00	0.00	0.00	51 789 239.53	29 465 068.65	22 324 170.88	27 964 964.59
1874	CRRGE	CRR - General			0	0	33 051 181.28	14 911 008.00	0.00	0.00	47 962 189.28	43 960 560.94	4 001 628.34	40 084 344.21
1875	CRRPA	CRR - Parking Facilities			0	0	1 358 385.19	82 936.00	0.00	0.00	1 441 321.19	375 649.34	1 065 671.85	263 825.27
1878	CRRPR	CRR - Sale of Property			0	0	30 925 931.98	3 598 000.00	0.00	0.00	34 523 931.98	18 654 145.81	15 869 786.17	18 021 465.60
1876	CRRSE	CRR - Sewerage Infrastructure			0	0	20 679 794.32	20 166 073.00	0.00	0.00	40 845 867.32	21 238 763.44	19 607 103.88	20 474 722.51
1877	CRRWA	CRR - Water Infrastructure			0	0	21 865 727.12	28 883 523.00	0.00	0.00	50 749 250.12	25 123 425.80	25 625 824.32	24 485 604.85
		Total Capital Replacement Reserve					134 636 294.28	96 365 168.00	0.00	0.00	231 001 462.28	139 469 645.01	91 531 817.27	131 900 621.71
		Total Funding					R 318 748 567.53	R 245 012 263.14	(R 5 528 045.29)	R 13 190 524.58	R 558 232 785.38	R 443 723 386.81	R 114 509 398.57	R 453 268 638.50

APPENDIX H**GEORGE LOCAL MUNICIPALITY****ANALYSIS OF LONG TERM DEBTORS FOR THE YEAR ENDED 30 JUNE 2007**

	SHORT TERM PORTION	2007 R	2006 R
Housing Loans	352 190	13 219 030	14 444 574
Public Organisations and Individuals	168 868	3 192 812	3 590 127
Selling Schemes	183 322	10 026 217	10 854 447
~ Vehicle Loans	125 208	335 898	1 694 090
Loans to Organisations (Section 185 (A) of Ord. 20/1974)	76 130	822 377	939 388
George Golf Club	58 818	739 024	793 698
George Pre- Primary School	3 652	3 652	10 372
George Riding Club	10 495	24 668	33 657
George Sports Club	339	900	1 213
George Squash Club	0	0	43 702
Outeniqua Bowling Club	2 826	54 133	56 746
Sale of Property	503 430	1 315 560	2 887 916
Computer Loans (Personnel)	26 819	41 154	84 033
Zader Loan	192 806	192 806	569 855
Victoria Bay - Paving/Sewerage Loans	3 321	113 204	111 963
Actaris Meter Costs	4 378 720	4 378 720	5 804 685
	R 5 658 625	R 20 418 748	R 26 536 504
Less: Short Term Portion		5 658 625	-2 637 934
		R 14 760 124	R 23 898 570

~ Senior Management

APPENDIX I**GEORGE LOCAL MUNICIPALITY : STATISTICAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2007**

1 General Statistics	2006/2007	2005/2006	2004/2005	2003/2004	2002/2003
	GEORGE				
1.1 Population	165 000	160 000	155 000	153 000	151 000
1.2 Valuation - Taxable Land	R 3 143 675 610	R 3 052 517 260	R 2 907 926 242	R 2 669 363 252	R 1 312 791 544
1.3 Valuation - Taxable Buildings	R 5 909 745 350	R 5 711 891 500	R 5 375 130 900	R 5 266 001 960	R 3 168 789 910
1.4 Valuation - Non Taxable Land	R 189 766 300	R 189 678 578	R 187 527 000	R 187 834 100	R 153 714 339
1.5 Valuation - Non Taxable Buildings	R 111 598 000	R 110 848 000	R 98 737 000	R 92 444 000	R 91 011 500
1.6 Valuation - Residential Land George	R 1 275 818 700	R 1 209 834 800	R 1 114 497 962	R 1 073 015 062	R 701 242 030
1.7 Valuation - Residential Buildings George	R 261 291 400	R 3 188 417 400	R 3 122 383 400	R 3 090 058 900	R 1 895 823 660
1.8 Valuation - Commercial Land George	R 384 688 600	R 403 692 600	R 395 972 000	R 382 393 000	R 274 772 990
1.9 Valuation - Commercial Buildings George	R 1 069 659 000	R 1 104 045 600	R 1 096 132 400	R 1 046 922 000	R 814 498 050
1.10 Valuation - Industrial Land George	R 77 228 000	R 77 686 000	R 77 869 000	R 77 721 000	R 48 536 000
1.11 Valuation - Industrial Buildings George	R 304 385 000	R 301 084 000	R 290 386 000	R 271 804 000	R 187 184 700
1.12 Valuation - Commercial Land W/Ness	R 35 439 100	R 7 745 000	R 13 955 000	R 19 058 000	R 18 754 000
1.13 Valuation - Commercial Buildings W/Ness	R 52 057 000	R 2 205 000	R 5 816 200	R 27 045 200	R 20 971 000
1.14 Valuation - Residential Land W/Ness	R 655 998 500	R 635 156 150	R 415 448 200	R 406 308 200	R 198 437 079
1.15 Valuation - Residential Buildings W/Ness	R 695 354 710	R 592 301 710	R 450 550 110	R 430 594 570	R 196 983 500
1.16 Valuation - Residential Land - Small Holdings	R 99 298 000	R 97 549 000	R 97 928 000	R 97 835 000	R 70 145 445
1.17 Valuation - Residential Buildings - Small Holdings	R 79 497 840	R 75 487 390	R 75 697 790	R 74 384 290	R 49 644 000
1.18 Valuation - Commercial Land - Small Holdings	R 1 017 000	R 995 000	R 611 000	R 817 000	R 904 000
1.19 Valuation - Commercial Buildings - Small Holdings	R 4 032 400	R 4 024 400	R 2 851 000	R 3 778 000	R 3 685 000
1.20 Valuation - Residential land - Rural Areas	R 550 291 500	R 523 153 500	R 637 406 970	R 452 124 980	0
1.21 Valuation - Residential buildings - Rural Areas	R 193 949 000	R 194 111 000	R 205 304 000	R 189 762 000	0
1.22 Valuation - Commercial land - Rural Areas	R 63 896 210	R 96 705 210	R 154 238 110	R 160 091 010	0
1.23 Valuation - Commercial buildings - Rural Areas	R 249 519 000	R 250 215 000	R 126 010 000	R 131 653 000	0
1.24 Valuation - Industrial Land - Rural Areas	0	0	0	0	0
1.25 Valuation - Industrial buildings - Rural Areas	0	0	0	0	0
1.26 Number of Residential Properties George	28 774	28 354	27 632	25 348	25 104
1.27 Number of Commercial Properties George	880	897	855	826	849
1.28 Number of Industrial Properties George	403	398	388	382	372
1.29 Number of Residential Properties W/Ness	2 561	2 406	2 065	2 083	1 829
1.30 Number of Commercial Properties W/Ness	63	19	45	36	27
1.31 Number of Industrial Properties W/Ness	0	0	0	0	0
1.32 No of Residential Properties Small Holdings	675	664	657	645	395
1.33 No of Commercial Properties Small Holdings	7	7	7	6	5
1.34 No of Industrial Properties Small Holdings	0	0	0	0	0
1.35 No of Residential properties - Rural Areas	1 395	1 372	1 569	1 369	0
1.36 No of Commercial Properties - Rural Areas	131	150	210	196	0
1.37 No of Industrial Properties - Rural Areas	0	0	0	0	0
1.38 Number of Other Properties - exemption	2 273	2 289	2 429	2 336	2 285
1.39 Assessment Rates - Land C/R George	1.6976	2	1.4862	1.3976	1.983
1.40 Assessment Rates - Buildings C/R George	0.9337	0.8726	0.8174	0.7686	1.806
1.41 Assessment Rates - Land C/R W/Ness	1.6127	2	1.3376	1.2578	1.685
1.42 Assessment Rates - Buildings C/R W/Ness	0.8870	0.829	0.7357	0.6917	0.923
1.43 Assessment Rates - Land C/R Small Holdings	1.5278	1.4279	1.1889	1.1180	1.589
1.44 Assessment Rates - Buildings C/R Small Holdings	0.8403	0.7853	0.6539	0.6149	0.869
1.45 Assessment Rates - Land C/R - Rural Areas	1.6976	1.5865	1.4862	1.3975	0
1.46 Assessment Rates - Buildings C/R - Rural Areas	0.9337	0.8726	0.8174	0.7686	0
* 1.47 Number of Employees - Salaries	995	937	851	806	777

Note : Items 1.6 to 1.15 represents a further analysis of items 1.2 and 1.3 above.

APPENDIX J

The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or parts of these standards. In the table set out below, the exemptions offered have been listed; together with an indication of the process that the municipality will follow regarding plans to implement the exemptions. Furthermore, the extent to which information in the annual financial statements would need to be adjusted to achieve compliance with the exempted standards has also been stated in the table.

Std. no.	Standard title	GRAP, GAMAP and/or SA GAAP requirement(s) exempted in terms of General notice 552 of 2007.	Exemption Adopted Y/N	Description of implementation plans that still need to be implemented to achieve full compliance with exempted standards	Extent to which information in the AFS would need to be adjusted to achieve compliance with the exempted standards
GRAP 03	Accounting policies, changes in accounting estimates and errors	Identification and impact of GRAP standards that have been issued but are not yet effective (GRAP 3.30 – 31). A list of these standards is as follows: GRAP 4 The Effects of Changes in Foreign Exchange Rates GRAP 5 Borrowing Costs GRAP 6 Consolidated AFS GRAP 7 Associates GRAP 8 JV's GRAP 9 Revenue GRAP 10 Financial Reporting in Hyperinflationary Economies GRAP 11 Construction Contracts GRAP 12 Inventories GRAP 13 Leases GRAP 14 Events After the Reporting Date GRAP 16 IP GRAP 17 PPE GRAP 18 Segment Reporting GRAP 19 Provisions, Contingent Liabilities and Contingent Assets GRAP 100 Non Current assets held for sale GRAP 101 Agriculture GRAP 102 Intangible Assets	Y	The following GRAP standards have been issued but are not yet effective. The implementation plans that still need to be implemented to achieve full compliance with the standards are set out below. GRAP 4,6,7,8,9,12,17,19 Currently the municipality adheres to the requirements of the comparable GAMAP standards. Determine the difference between the applicable accounting treatment and disclosure requirements of the GAMAP versus the GRAP standards and make any necessary adjustments to the AFS. GRAP 5 Borrowing Costs. Determine the applicable accounting treatment and disclosure requirements of GRAP 5 for the municipality. GRAP 10 and 11. The municipality does not have these types of transactions. GRAP 13, 14, 16, 18, 100, 101 and 102. The municipality adheres to the requirements of the comparable GAAP standards except for the exemptions adopted as set out below per standard.	Highly likely that no adjustments to the AFS will be required as there are no fundamental differences between these GAMAP and GRAP standards. A portion of interest cost on interest bearing borrowings, in respect of assets that take a substantial period of time for construction and before they are ready for use, may be capitalised to the relevant asset and will result in interest cost in the Statement of Financial Performance reducing and the cost of the asset increasing. No adjustment required. See adjustments required as per relevant sections of this document set out below.
		Changes in accounting policies (GRAP 3.14, 19)	Y	No action plans are required. The GAMAP/ GRAP/ GAAP related changes that had been done for the first time, non exempted application of these standards, are mostly accounting for prior period errors (as these	No adjustments to the AFS are required.

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				accounting standards had already been mandatory for the previous financial year. Where it is practicable to do so, all accounting for prior period errors are dealt with by the municipality retrospectively and disclosed as such in accordance with the requirements of GRAP 3.	
GAMAP 09	Revenue	Initial measurement of fair value; discounting all future receipts using an imputed rate of return (GAMAP 9.12 and SAICA circular 9/06)	Y	In terms of GAMAP 9 revenue is measured at the fair value of the consideration received. In most cases the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. Where the inflow of cash or cash equivalents is deferred, for example where the entity provides an interest free credit period to the purchaser the fair value of the revenue must then be determined by discounting all future receipts by using an imputed rate of interest. The municipality does not envisage entering into transactions where an interest free credit period is provided to the purchaser of services or goods from the municipality and therefore it is highly unlikely that the municipality will be faced with this type of transaction.	No adjustments to the AFS are required.
GAMAP 12	Inventories	The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP17.	N	Currently the municipality does not reflect land and buildings that will be sold within the next twelve months as inventories.	The following adjustments will need to be made to the AFS to comply with accounting for inventories land and buildings in terms of GAMAP 12: None
		The entire standard as far as it relates to water stock that was not purchased by the municipality.	Y	1) Ensure that systems are in place to determine what percentage of water on hand at year end has been purchased and what percentage has been produced (purified). 2) Determine what valuation methodology will best serve to value water on hand at year	The following adjustments will need to be made to the AFS to comply with accounting for purified water in terms of GAMAP 12: 1) The value of inventories on the Statement of Financial Position will include purchased as well as purified water.

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				end i.e. FIFO or weighted average. 3) Value the purchased water at year end by utilising the FIFO methodology and multiplying purchased water on hand at year end with the latest purchase price. 4) Value purified water on hand at year end by determining a production cost per unit of water purified and then applying this to the volume of purified water on hand at year end. The production cost per unit must be based on: - Costs directly related to the units of production such as direct materials and direct labour. This could include expense items such as wage costs of plant workers and chemicals used in the production process. - A systematic allocation of fixed production overheads, which are indirect costs of production that remain relatively constant, regardless of the level of production, such as depreciation of manufacturing equipment and the production facility (water purification plant). A systematic allocation of variable production overheads, which are indirect costs of production that vary in accordance with variances in the volume of production. Examples are indirect labour such as the salary of a factory foreman, and also indirect materials.	The accounting policy should reflect the valuation methodology for purified and purchased water.
GAMAP 17	Property, plant and equipment	Review of useful life of items of PPE recognised in the annual financial statements (GAMAP 17.69 – 61, 77)	Y	1) CFO to issue a memo to all departmental managers at year end to request them to ensure that the remaining useful life of all items of PPE as reflected for assets under their control per the FAR is realistic.	The following adjustments will need to be made to the AFS if the review of useful lives of PPE result in a change in estimate. 1) The depreciation charge for the year in which the change in estimate takes place as well as for all

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				2) Departmental managers should inform the manager responsible for assets of items of PPE with remaining useful lives shorter or longer than those reflected on the FAR at year end. 3) Pass necessary accounting entries and also do necessary disclosure of the change in estimate.	other years of the remaining useful life of the asset will be adjusted. This change in accounting treatment will therefore take place prospectively. 2) A note on the change in estimate will be disclosed if the change in estimate is material.
		Review of depreciation method applied to PPE recognised in the annual financial statements(GAMAP 17.62, 77)	Y	1) CFO to issue a memo to all departmental managers at year end to request them to ensure that the depreciation method used to depreciate all items of PPE as reflected as being under their control per the FAR is realistic. 2) CFO to review the depreciation method used to depreciate different classes of assets annually to assess its applicability for each class of asset. 3) Departmental managers should inform the manager responsible for assets of items of PPE with remaining useful lives shorter or longer than those reflected on the FAR at year end. 4) Pass necessary accounting entries and also do necessary disclosure of the change in estimate.	The following adjustments will need to be made to the AFS if the review of depreciation methods of PPE results in a change in estimate. 1) The depreciation charge for the year in which the change in estimate takes place as well as for all other years of the remaining useful life of the asset will be adjusted. This change in accounting treatment will therefore take place prospectively. 2) A note on the change in estimate will be disclosed if the change in estimate is material.
		Impairment of non-cash generating assets (GAMAP 17.64 – 69, 75(e)(v) - (vi))	Y	1) Identify items of PPE that may have suffered impairment losses at year end by issuing a memo to all departments requesting them to identify assets that: ➤ Are in a state of permanent damage at year end (no impairment losses will be recognised in respect of assets damaged that will be repaired after year end); ➤ Are stolen at year end (impairment loss is	The following adjustments will need to be made to the AFS if impairment losses are calculated and disclosed for the first time: 1) The carrying amount of PPE will be reduced. 2) The reconciliation between the opening and closing balance of the carrying amount of PPE will have to reflect impairment losses. 3) The accounting policy relating to PPE will have to be amended to indicate how the entity deals with

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				recorded equal to the carrying amount of stolen assets at the date of the theft); ➤ Are technologically obsolete at year end (this can be facilitated by supplying departments with a FAR printout pertaining to major assets showing the remaining useful lives of assets - the departments can then assess and indicate cases where the assessed remaining useful life is shorter than the remaining useful life on the printout); ➤ Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life. ➤ Show that they are not performing according to their specifications or according to industry accepted norms. 2) Calculate and record impairment losses by determining the difference between the asset's carrying amount and its recoverable (service) amount where the recoverable amount is less than the asset's carrying amount.	and discloses impairment losses. 4) The impairment loss itself should be reflected in the notes to the Statement of Financial Performance, if material. 5) All disclosure requirements as required by IPSAS 21.
		Impairment of cash generating assets (GAMAP 17.63, 75(e)(v) – (vi))	Y	1) Identify items of PPE that may have suffered impairment losses at year end by issuing a memo to all departments requesting them to identify assets that: ➤ Are in a state of permanent damage at year end (no impairment losses will be recognised in respect of assets damaged that will be repaired after year end); ➤ Are stolen at year end (impairment loss is recorded equal to the carrying amount of stolen assets at the date of the theft); ➤ Are technologically obsolete at year end (this can be facilitated by supplying departments with a FAR printout pertaining to major assets showing the remaining	The following adjustments will need to be made to the AFS if impairment losses are calculated and disclosed for the first time: 1) The carrying amount of PPE will be reduced. 2) The reconciliation between the opening and closing balance of the carrying amount of PPE will have to reflect impairment losses. 3) The accounting policy relating to PPE will have to be amended to indicate how the entity deals with and discloses impairment losses. 4) The impairment loss itself should be reflected in the notes to the Statement of Financial Performance, if material.

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				useful lives of assets - the departments can then assess and indicate cases where the assessed remaining useful life is shorter than the remaining useful life on the printout); ➤ Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life. ➤ Show that they are not performing according to their specifications or according to industry accepted norms. Calculate and record impairment losses by determining the difference between the asset's carrying amount and its recoverable (service) amount where the recoverable amount is less than the asset's carrying amount.	5) All disclosure requirements as required by IAS 36.
IAS 11 AC 109	Construction contracts	Entire standard	Y	1) The municipality does not enter into construction contracts, where assets are constructed with the purpose of realising a profit on construction activities. Therefore it is estimated that the application of IAS 11 by the municipality will not be necessary, as the municipality does not enter into transactions accounted for in terms of IAS 11.	1) The municipality does not enter into construction contracts, where assets are constructed with the purpose of realising a profit on construction activities. Therefore it is estimated that the application of IAS 11 by the municipality will not be necessary, as the municipality does not enter into transactions accounted for in terms of IAS 11.
IAS 14 AC 115	Segment reporting	Entire standard	Y	1) Obtain an understanding of the definitions of business segments and geographical segments as set out in IAS 14. 2) Determine the business and geographical segments of the municipality. 3) Decide on the primary and secondary reporting formats for the entity. Therefore a decision must be made whether business is primary and geographical secondary or vice versa. 4) Change the chart of accounts and	The AFS will have to be adjusted to ensure that the disclosure requirements of IAS 14.51 to .67 relating to segment information are met. The primary reporting format requires inter alia, disclosure of: 1) Segment revenue for every reportable segment. 2) Segment results for every reportable segment. 3) Segment assets for every reportable segment. 4) The total cost incurred during the period to acquire reportable segment long term assets.

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				accounting software package to ensure that the segmental revenue, expenses, results, assets and liabilities can be accounted for and presented in the AFS according to the primary and secondary reporting formats.	5) A reconciliation between the information disclosed for reportable segments and the information in the entity's own financial statements. Based on the decision of the entity whether business or geographical segments are the primary reporting format, the secondary reporting format requirements as set out in IAS 14 will also need to be disclosed in the AFS.
IAS17 AC 105	Leases	Recognising operating lease payments / receipts on a straight-line basis if the amounts are recognised on the basis of the cash flows in the lease agreement (IAS 17.33 – 34 and 50 – 51 and SAICA circular 12/06.8 – 11)	Y	1) The municipality must obtain copies of all existing current lease agreements. 2) For each lease agreement the municipality must distinguish each lease as a Finance Leases or an Operating Lease. 3) Assets held in terms of Finance Leases as defined in IAS 17 must be capitalised and subsequently depreciated and/or impaired. 4) A complete Lease Contract Register must be kept to ensure the completeness of lease transactions. 5) Operating Leases that have fluctuating payment arrangements must be identified and operating lease expenses that fall within this category must be straight-lined (smoothed).	The following adjustments will need to be made to the AFS if operating lease payments are straight lined as opposed to accounting for them based on cash flows: 1) Currently, operating lease payments are accounted for based on the cash flows in the lease agreement and therefore the actual amount of lease instalments incurred per annum is recognised in the Statement of Financial Performance. Once straight lining is done the amount recognised in the Statement of Financial Performance will be the average annual instalment calculated over the entire lifespan of the lease. If the actual instalments in a year are more than the average instalment the difference will be shown either as a prepayment (debtor) in the AFS. If the actual instalments in a year are less than the average instalment the difference will be shown either as an accrual (creditor) in the AFS.
IAS 19 (AC 116)	Employee benefits	Defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and defined benefit obligation disclosed by narrative information (IAS 19.29, 48 – 119 and 120A(c) – (q))	Y	1) The municipality must obtain actuarial valuation reports of all defined benefit plans. 2) The valuations obtained in point 1 above will have to be studied and analysed to extract all the relevant information necessary for defined benefit accounting as set out in IAS 19.	No work had been done in terms of IAS 19 as of yet. Thus the full requirements and steps listed in the previous column must still be performed.

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				3) The necessary disclosures in terms of IAS 19 must still be performed.	
IAS 20	Accounting for government grants	Entire standard excluding paragraphs 24 and 26, replaced by GAMAP 12.8, 17.25 and 9.42 – 46.	Y	1) Currently all conditional capital grants received for the purchase of PPE are accounted for in terms of the NT GRAP implementation guidelines dated June 2005 and also GAMAP 9.42 to 46. 2) On receipt of a conditional capital government grant the amount is banked and reflected as a current liability called Unspent Conditional Grants and Receipts. Once the amount is spent in accordance with the grant conditions a transfer is made from the current liability to the Statement of Financial Performance equal to the amount that has been spent during the financial year in accordance with the grant conditions. Thereafter an equal amount is transferred from the Accumulated Surplus to the Government Grant Reserve (GGR) on the statement of Changes in Net Assets. Annually an amount is transferred from this reserve to accumulated surplus equal to the amount of depreciation on assets funded from government grants. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/ (deficit). 3) On the implementation of IAS 20, unbundled the GGR by transferring the balance to a deferred income account. 4) For future depreciation charges in respect	1) Unbundle the balance on the GGR and transfer it to a deferred income account. 2) Capital Grants utilised will no longer be transferred to a GGR via the Statement of Financial Performance and the Statement of Changes in Net Assets. Once an amount is utilised it will be transferred directly from the unspent capital conditional grants creditor to a creditor called deferred income. Therefore the GGR (Reserve) will be replaced by a creditor called deferred income. 3) In future a transfer will be made from the deferred income account to the Statement of Financial Performance to annually offset the amount of depreciation in respect of assets funded from government grants. The GGR will no longer exist and therefore no transfer from the GGR to the accumulated surplus to offset depreciation will be made on the Statement of Changes in Net Assets.

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				of assets that have a carrying amount equal to the deferred income account on the date of the unbundling of the GGR, ensure that an amount equal to the depreciation charge is transferred from deferred income to the Statement of Financial Performance.	
IAS 36 (AC 128)	Impairment of assets	Entire standard	Y	1) Identify items of PPE that may have suffered impairment losses at year end by issuing a memo to all departments requesting them to identify assets that: ➤ Are in a state of permanent damage at year end (no impairment losses will be recognised in respect of assets damaged that will be repaired after year end); ➤ Are stolen at year end (impairment loss is recorded equal to the carrying amount of stolen assets at the date of the theft); ➤ Are technologically obsolete at year end (this can be facilitated by supplying departments with a FAR printout pertaining to major assets showing the remaining useful lives of assets - the departments can then assess and indicate cases where the assessed remaining useful life is shorter than the remaining useful life on the printout); ➤ Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life. ➤ Show that they are not performing according to their specifications or according to industry accepted norms. 2) Calculate and record impairment losses by determining the difference between the asset's carrying amount and its recoverable (service) amount where the	The following adjustments will need to be made to the AFS if impairment losses are calculated and disclosed for the first time: 1) The carrying amount of PPE will be reduced. 2) The reconciliation between the opening and closing balance of the carrying amount of PPE will have to reflect impairment losses. 3) The accounting policy relating to PPE will have to be amended to indicate how the entity deals with and discloses impairment losses. 4) The impairment loss itself should be reflected in the notes to the Statement of Financial Performance, if material. 5) All disclosure requirements as required by IAS 36.

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				recoverable amount is less than the asset's carrying amount.	
IAS 38 (AC 129)	Intangible assets	The entire standard except for the recognition, measurement and disclosure of computer software and website costs (SIC 32) and all other costs are expensed	Y	1) Ensure that all assets that meet the definition of an intangible asset and the recognition criteria for an asset are identified by scrutinising the FAR and capital purchases file. 2) Ensure that all intangible assets identified are measured initially at their cost price. Examples of items which may meet the definition of an intangible asset in the municipal environment are: • The cost of the General Valuation Roll • A license fee for operating a tip site, where the fee grants to the municipality the right to operate the tip site for a period of longer than one year. 3) Ensure that the necessary procedures are put in place to ensure the proper accounting treatment of Intangible assets after initial recognition to deal with the accounting for subsequent expenditure, amortisation, review of useful lives of intangible assets, retirements and disposals of intangible assets and internally generated intangible assets.	The following adjustments will need to be made to the AFS if intangible assets are accounted for in terms of IAS 38: 1) If any intangible assets are currently classified as part of PPE, then the application of IAS 38 will lead to a reclassification of these items as intangible assets, with a new line item called intangible assets being reflected on the Statement of Financial Position. This will result in a reduction in the carrying amount of PPE and an increase in a new asset called intangible assets. 2) In future a new expense item will be reflected in the Statement of Financial Performance called amortisation, which reflects the amount of "depreciation" on the intangible assets for the year. 3) If intangible assets have been incorrectly expensed in the past this can be regarded as a prior period error and should be corrected retrospectively by applying GRAP 3. This will lead to a restatement (increase) of the opening balance of the Accumulated Surplus Account as well as an increase in the Asset Value on the Statement of Financial Position of the Municipality. 4) An accounting policy note related to the accounting treatment of Intangible assets will need to be developed and disclosed. 5) The municipality shall disclose the following for each class of intangible assets, distinguishing between internally generated intangible assets and other intangible assets: (a) The useful lives or the amortisation rates used; (b) The amortisation methods used for intangible

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					assets with finite useful lives; (c) The gross carrying amount and any accumulated amortisation (aggregated with accumulated impairment losses) at the beginning and end of the period; (d) The line item(s) of the Statement of Financial Performance in which any amortisation of intangible assets is included; (e) A reconciliation of the carrying amount at the beginning and end of the period showing: (i) Additions, indicating separately those from internal development, those acquired separately, and those acquired through business combinations; (ii) Any amortisation recognised during the period; 6) The municipality shall disclose the aggregate amount of research and development expenditure recognised as an expense during the period. 7) The municipality shall give a description of any fully amortised intangible asset that is still in use. 8) The municipality shall also disclose the following: • A description, the carrying amount and remaining amortisation period of any individual intangible asset that is material to the entity's financial statements. • For intangible assets acquired by way of a government grant and initially recognised at fair value: (i) The fair value initially recognised for these assets; (ii) Their carrying amount; and (iii) Whether they are measured after recognition under the cost model or the revaluation model. • The amount of contractual commitments for the acquisition of intangible assets.

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IAS 39 (AC 133)	Financial instruments: recognition and measurement	Initially measuring financial assets and liabilities at fair value (IAS 39.43, AG79, AG64 – AG65 and SAICA circular 9/06)	Y	1) The municipality must study the applicable sections of IAS 39. 2) The fair values of these financial instruments will have to be determined, based on the type of financial instrument as per IAS 39.9. 3) Discounting of certain financial instruments will have to be performed if the discounted value differs materially from its cost/ face value.	The full initial measurement of financial assets and liabilities will have to be recalculated and corrected retrospectively, is practicable. The previous column gives an indication of the extent of adjustment for full compliance with IAS 39.43, AG79, AG64 – AG65 and SAICA circular 9/06.
IAS 40 (AC 135)	Investment property	The entire standard to the extent that the property is accounted for in terms of GAMAP 17	Y	1) Prepare a list of all possible names under which property belonging to the municipality could have been registered in the past. 2) Perform a title deeds search using all these names mentioned in 1) above to identify all land and buildings under the control of the municipality. 3) Compare the results of the title deeds search to the Fixed Asset Register and the Valuation roll and adjust the FAR to reflect all land and buildings under the control of the municipality. 4) Value all land and buildings, which were previously not reflected on the FAR at fair value where historical cost prices and acquisition dates are unknown. 5) Identify and reclassify as Investment Property (IP) all land and buildings reflected on the updated FAR meeting the definition of Investment Property as per IAS 40. 6) Decide on an accounting policy for the subsequent measurement of IP i.e. cost price less accumulated depreciation or	The following adjustments will need to be made to the AFS if IAS 40 is implemented and if IP is measured at Fair Value. • The criteria developed by the municipality to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations; • The methods and significant assumptions applied in determining the fair value of investment property. • The extent to which the fair value of investment property is based on a valuation by an independent valuer. • The amounts included in the statement of financial performance for: (a) Rental revenue from investment property; (b) Direct operating expenses arising from investment property that generated rental revenue during the period; and (c) Direct operating expenses arising from investment property that did not generate rental revenue during the period; (d) Fair value increases in IP • The existence and amounts of restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal; • Material contractual obligations to purchase,

Std. no.	Standard title	GRAP, GAMAP and/or SA GAAP requirement(s) exempted in terms of General notice 552 of 2007.	Exemption Adopted Y/N	Description of implementation plans that still need to be implemented to achieve full compliance with exempted standards	Extent to which information in the AFS would need to be adjusted to achieve compliance with the exempted standards
				Fair Value. 7) Ensure that the necessary procedures are put in place to ensure the proper accounting treatment of IP after initial recognition to deal with the accounting for subsequent expenditure, disposal of IP, transfers of IP, Fair value increases etc.	construct or develop investment property or for repairs, maintenance or enhancements; - A reconciliation of the carrying amount of investment property at the beginning and end of the period showing the following - Additions, disclosing separately those additions resulting from acquisitions and those resulting from capitalized subsequent expenditure; - Additions resulting from acquisitions through municipality combinations; - Disposals; - Net gains or losses from fair value adjustments; - Transfers to and from inventories and owner-occupied property; and - Other movements.
					The following adjustments will need to be made to the AFS if IAS 40 is implemented and if IP is measured at Cost Price less accumulated depreciation. If the municipality elects to reflect all of its investment properties at cost less accumulated depreciation, ensure disclosure in the AFS of the following information, in addition to any relevant information required by the disclosure requirements relating to IP at fair value as set out above : - The depreciation methods used; - The useful lives or the depreciation rates used; - The gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period; - A reconciliation of the carrying amount of investment property at the beginning and end of the period showing the following (comparative information is not required):

Std. no.	Standard title	GRAP, GAMAP and/or SA GAAP requirement(s) exempted in terms of General notice 552 of 2007.	Exemption Adopted Y/N	Description of implementation plans that still need to be implemented to achieve full compliance with exempted standards	Extent to which information in the AFS would need to be adjusted to achieve compliance with the exempted standards
					(i) Additions, disclosing separately those additions resulting from acquisitions and those resulting from capitalized subsequent expenditure; (ii) Additions resulting from acquisitions through municipality combinations; (iii) Disposals; (iv) Depreciation; (v) The amount of impairment losses recognized, and the amount of impairment losses reversed, during the period; (vi) The net exchange differences arising on the translation of the financial statements of a foreign municipality; (vii) Transfers to and from inventories and owner – occupied property; and (viii) Other movements; and • The fair value of investment property. In the exceptional cases, when the municipality cannot determine the fair value of the investment property reliably, the municipality should disclose: (i) A description of the investment property; (ii) An explanation of why fair value cannot be determined reliably; and (iii) If possible, the range of estimates within which fair value is highly likely to lie.
		Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognised the investment property in terms of this standard (IAS 40.79(e)(i) – (iii))	Y	1) Ensure that, even if IP is reflected at cost procedures are put in place to obtain the Fair Value of IP at each Balance Sheet date for inclusion in the notes to the AFS.	1) The disclosure notes relating to IP would provide an indication of the Fair Value of IP which is carried at cost price less accumulated depreciation on the face of the Statement of Financial Position.
IFRS 3 (AC 140)	Business combinations	Entire standard	Y	1) It is highly likely that the most relevant section of IAS 40 to the municipality is the accounting treatment of goodwill. 2) Any existing goodwill will have to be measured and accounted for by the municipality in accordance with the	1) No adjustments will need to be made to the AFS as the municipality already fully complies with the relevant requirements of IFRS 3.

Std. no.	Standard title	GRAP, GAMAP and/or SA GAAP requirement(s) exempted in terms of General notice 552 of 2007.	Exemption Adopted Y/N	Description of implementation plans that still need to be implemented to achieve full compliance with exempted standards	Extent to which information in the AFS would need to be adjusted to achieve compliance with the exempted standards
				requirements of IFRS 3.	
IFRS 5 (AC 142)	Non-current assets held for sale and discontinued operations	Classification, measurement and disclosure of non-current assets held for sale (IFRS 5.6 – 29 (in so far as it relates to non-current assets held for sale) and 38 – 42)	Y	1) Print-outs of the FAR per department must be made and distributed to the Heads of every department. The Heads of departments must scrutinise the FAR applicable to their department and identify assets that meet the criteria for non-current assets held for sale as set out by IFRS 5.6 to .11. 2) The Heads of departments must return the departmental FAR, to the CFO and indicate the assets that meet the above mentioned criteria. 3) CFO must ensure that every department returned the departmental-FAR and ensure that it has been signed-off as proof that it has been reviewed. 4) Scrutinise the fixed asset votes in the GL after year-end up to the date when the financial statements are prepared, to identify assets that are sold after year-end and meet the IFRS 5.6 to 11 requirements at year end. Ensure that these assets are classified as Non-current assets held for sale in the Financial Statements for the year under review. 5) Measure and disclose the Non Current Assets held for Sale in accordance with IFRS 5 requirements.	1) Non Current Assets held for sale will no longer be recorded as part of PPE and will not necessarily be carried at cost less accumulated depreciation. 2) No current assets held for sale will be recorded as such as part of current assets and will be recorded at the lower of carrying amount and fair value less costs to sell. 3) Impairment losses in respect of non current assets held for sale will be recorded in the Statement of Financial Performance if such impairment losses exist.
IFRS 7 (AC 144)	Financial instruments: disclosures	Entire standard to be replaced by IAS 32 (AC 125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998	Y	All the applicable sections regarding the disclosure requirements relating to Financial Instruments as set out in IFRS 7 are adhered to by the municipality, as IAS 32 includes the relevant disclosures that is required by IFRS 7.	No adjustments will need to be made to the AFS as the municipality already fully complies with the relevant requirements of IFRS 7, due to compliance with IAS 32.